



**Fund Manager
SICO Capital Company**

Terms and Conditions

SICO Saudi REIT

(A Sharia-Compliant Closed-Ended Real Estate Investment Fund)

To offer 57,240,000 units at SR 10 per unit of the total size SAR 572,400,000

Version (15) – Date (07/05/2023)

The Fund Manager accepts the full responsibility for the accuracy of the information contained in these Terms and Conditions and declares, to the best of its knowledge and belief that (having taken all reasonable care to ensure that such is the case), that there are no other facts may be omitted or not included in this Prospectus to make any statement in this Prospectus misleading. Saudi Capital Market Authority and the Saudi Stock Exchange shall not be held responsible for the content of these Terms and Conditions and shall not make any representations or warranties regarding its accuracy or completeness; and expressly disclaim any loss that may be caused by reliance on any part of these Terms and Conditions. Investor's investment in the Fund shall be considered as an acknowledgment by him of the Fund's Terms and Conditions and acceptance thereof.

The units of SICO Saudi REIT Fund were approved by the Capital Market Authority on 16/10/2017 G corresponding to 26/01/1439 H.

We confirm that this prospectus of Terms and Conditions is in accordance with the provisions of the Real Estate Investment Funds Regulations and the Real Estate Investment Funds Instructions, and contains full and correct disclosure of all relevant facts related to this investment fund*

The revised version of the Terms and Conditions reflects the following changes:
The removal of member of the Fund's Board of Directors Mr. Mohanad Al Khowielad, according to our letter sent to CMA on

Fadhel Makhloq

CEO

Rawan Abahussain

Head of Compliance, AML

Important notice

These Terms and Conditions contain detailed information relating to SICO Saudi REIT Fund ("the Fund") and the Fund's Units Offering ("Units"). When applying for units, investors will be treated as having subscribed only on the basis of the information contained in these Terms and Conditions. Copies of the Terms and Conditions are available on the SICO Capital Website ("Fund Manager") www.sicocapital.com.sa, the Capital Market Authority's Website ("the Authority") www.cma.org.sa or the Saudi Stock Exchange Website ("Tadawul") www.tadawul.com.sa.

Prospective investors must fully read these Terms and Conditions before purchasing units in the Fund, as investment in the Fund involves risks that may not be commensurate with all investors. Investors should be prepared to withstand the risks associated with any investment in the Fund as described in paragraph (g) of these Terms and Conditions.

These Terms and Conditions have been prepared by the Fund Manager as a one-person Closed ended shareholding company registered in the Commercial Register of the Kingdom of Saudi Arabia under No. 1010259328, and a CAM-Licensed person under License No. 08096-37 in accordance with the provisions of the Real Estate Investment Funds Regulations issued by Authority's Board pursuant to the provisions of Resolution No. 1-193/2006 of 19/06/2006 (corresponding to 15/07/2006) ("Real Estate Investment Funds Regulations") and the provisions of the Real Estate Investment Funds Instructions issued by the Authority in accordance with Resolution No. 6-130-2016 of 23/1/1438H (corresponding to 24/10/2016) ("Real Estate Investment Funds Instructions").

These Terms and Conditions also contain the information rendered in compliance with the registration and acceptance requirements for listing the Fund's units in "Tadawul" in accordance with the Real Estate Investment Funds Regulations and the Saudi Arabian Capital Market Authority's Investment Funds Regulations.

The Fund Manager accepts the full responsibility for the accuracy of the information contained in these Terms and Conditions and declares, to the best of its knowledge and belief that (having taken all reasonable care to ensure that such is the case), that there are no other facts may be omitted or not included in this Prospectus to make any statement in this Prospectus misleading. Saudi Capital Market Authority and the Saudi Stock Exchange shall not be held responsible for the content of these Terms and Conditions and shall not make any representations or warranties regarding its accuracy or completeness; and expressly disclaim any loss that may be caused by reliance on any part of these Terms and Conditions. The Fund Manager has conducted all reasonable inquiries to ensure the accuracy of the information presented in these Terms and Conditions on the date of their issuance. An important part of the information contained in these terms and conditions relating to the market and the real estate sector has been derived from outside sources. Although the Fund Manager has no reason to believe that the information of the real estate market and sector is fundamentally inaccurate, however, this information has not been independently verified and neither the Fund Manager nor the consultants provide any assurance of the accuracy or completeness of such information.

The Authority assumes no responsibility for the contents of these Terms and Conditions and makes no warranty as to the correctness or completeness of these Terms and Conditions. The Authority also disclaims responsibility for any financial loss arising from the application of any provision of these Terms and Conditions or because of reliance thereon.

These Terms and Conditions should not be considered as a recommendation by the Fund Manager to invest in the Fund. The information contained in the Terms and Conditions is of a general nature and has been prepared without taking into account the individual investment objectives, financial situation or investment needs of the persons intending to invest in the units offered. Before making any investment decision, anyone who receives a copy of these Terms and Conditions shall be responsible for obtaining independent advice from a financial advisor licensed by the Capital Market Authority in respect of the initial offering and shall rely on his own study of the suitability of both the investment opportunity and the information contained in These Terms and Conditions regarding the individual objectives, financial position and needs of the investor, including the merits and risks of investing in the Fund. Investment in the Fund may be appropriate for some investors only, and potential investors should not rely on another party's decision as to whether or not to invest as a basis for their own study of the investment opportunity and the circumstances of these investors.

Subscription to units is available only to the following categories: (a) Saudi natural persons, and (b) institutions, companies, investment funds and other legal entities wholly owned by Saudi nationals only. All recipients of these Terms and Conditions shall have access to any legal or regulatory restrictions relating to the Initial Offering and sale of units, and shall take into account such restrictions, including the Law of Ownership and Investment by Non-Saudis.

The information contained in these Terms and Conditions shall remain subject to change. Specifically, the value of units may be adversely affected by future developments, such as inflation, changes in interest rates, VAT, taxes, or any other economic, political or other factors that the Fund Manager does not have control over (for further details, please refer to paragraph (g) of these Terms and Conditions). These terms and conditions or any verbal or written information regarding the units offered are not intended and should not be construed or relied upon in any way as a guarantee or confirmation of future profits, results or events.

The target returns set forth in these Terms and Conditions have been prepared based assumptions according to the Fund Manager's knowledge and market experience, as well as market information available to the public. Future operating conditions may differ from the assumptions used, and therefore there are no representations, warranties or guarantees as to the accuracy or completeness of any expectations.

Some of the statements contained in these Terms and Conditions constitute or may be construed as constituting "future assumptions". These assumptions can be generally determined by the use of forward-looking words such as "planned", "estimated", "believed", "targeted", the negation of these words or their derivatives or similar terms. These assumptions reflect the current views of the Fund Manager regarding future events but are not a guarantee of the future performance. There are many factors that may cause the results, performance or achievements of the Fund to differ significantly from any future results, performance or achievements that may be expressed in the future by either express or implied. Some of these risks and factors that may cause this effect are described in detail in other sections of these Terms and Conditions (for further details, please refer to paragraph (g) of these Terms and Conditions). If such risks, uncertainties, or the inaccuracy of any of the implied assumptions are true, the actual results of the Fund may differ significantly from those reported in these Terms and Conditions as expected, estimated or planned.

SICO Saudi RIET Fund Directory

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| <p>Fund Manager</p> |  <p>SICO Est 1995 سيكو</p> | <p>Fund Manager: SICO Capital Company Fund Manage Address: Tamkeen Tower – 11th floor, King Fahad Road P.O Box 64666 Riyadh 11546 Tel: +966-11-279-9877 Fax: +966-11-279-9876 Kingdom of Saudi Arabia Website: www.sicocapital.com.sa E-mail: info@sicocapital.com</p> |
| <p>Fund Administrator</p> |  <p>SICO Est 1995 سيكو</p> | <p>Fund Administrator: SICO Capital Company Fund Manage Address: Tamkeen Tower – 11th floor, King Fahad Road P.O Box 64666 Riyadh 11546 Tel: +966-11-279-9877 Fax: +966-11-279-9876 Kingdom of Saudi Arabia Website: www.sicocapital.com.sa E-mail: info@sicocapital.com</p> |
| <p>Operations, Maintenance and Marketing Manager, and Property Manager and Tenant</p> |  <p>إسكان للتنمية والاستثمار ESKAN FOR DEVELOPMENT & INVEST</p> | <p>Eskan for Development & Investment Company Al Safa Administrative Tower - Al Azizia General Street - Mecca Al Mukarramah Tel .: 012- 5668288</p> |
| <p>Custodian</p> |  <p>الرياض المالية riyadh capital</p> | <p>Riyadh Capital Company CMA Licence No. 37-07070 Tel: 920012299 6775 Takhasussi St – Olaya Riyadh – 3712-12331</p> |
| <p>Subscription Applications Recipients</p> |  <p>samba سامبا</p> <p>Head Office King Abdulaziz Al Malaz Road P.O Box 25895, Riyadh 11476, Kingdom of Saudi Arabia</p> |  <p>بنك الرياض riyadh bank</p> <p>PO Box 22622, Riyadh 11416, Kingdom of Saudi Arabia Tel: (+966) 011-401-3030</p> |

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| | <p>مصرف الإنماء alinma bank </p> <p>AL ANOUD TOWER - KING FAHAD ROAD PO BOX 66674, RIYADH 11586, KINGDOM OF SAUDI ARABIA</p> | <p> SYCO Est 1995 سبكو</p> <p>Tamkeen Tower – 11th floor, King Fahad Road P.O Box 64666 Riyadh 11546 Tel: +966-11-279-9877 Kingdom of Saudi Arabia</p> |
| <p>Fund Auditor</p> | <p></p> | <p>Al- Bassam & Co. Allied Accountants Sulaymaniyah Prince Abdulaziz Bin Mousaed Road Po Box 69658, Riyadh 11557 Saudi Arabia www.pkf.com</p> |
| <p>Consultant Who Prepared The Feasibility Study</p> | <p></p> | <p>White Cubes Company Office: Malqa quarter Prince Mohammed bin Saad bin Abdulaziz Street Tel: + 9611611337 www.white-cubes.com</p> |
| <p>Real Estate Valuator</p> | <p></p> | <p>Value Expert PO Box: 396132 Riyadh 11375 Kingdom of Saudi Arabia</p> |
| <p>Real Estate Valuator</p> | <p></p> | <p>White Cubes Company Office: Malqa district, Prince Mohammed bin Saad bin Abdulaziz Street Tel: + 9611611337 www.white-cubes.com</p> |
| <p>Sharia Board</p> | <p></p> <p>SHARIYAH REVIEW BUREAU</p> | <p>Building No. 872, Office No. 41 & 42, Road 3618, Seef 436, Bahrain www.shariyah.net</p> |

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| Regulator |  <p>هيئة السوق المالية Capital Market Authority</p> | Capital Market Authority King Fahd Road, Riyadh, Kingdom of Saudi Arabia Phone: 8002451111 |
| Tadawul Platform |  <p>تداول Tadawul</p> | Saudi Stock Exchange (Tadawul) King Fahd Road, Riyadh, Kingdom of Saudi Arabia Phone: 920001919 |

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Definitions

"**Accounting Period**" means any period for which audited reports are prepared for the Fund;

"**Amended Net Asset Value**" means net asset value at the end of an accounting period and amended to include distributions made during that accounting period;

"**Administrator**" means SICO Capital Company, a closed joint stock company having commercial registration number 1010259328, and a CMA-Licensed person under license No. 37-08096

"**Temporary Investments**" means low risk investments, which are expected to be converted into cash within one year and can be relatively quickly liquidated and comprise Sharia-compliant Murabaha transactions including, but not limited to deposits, Sukuk and money market funds' accounts;

"**Auditor**" Al-Bassam & **AL- BASSAM & CO.** Allied Accountant PKF as the Auditor of the Fund, or any other company comprising international legal accountants as may be designated by the Fund Manager from time to time;

"**Authorized Persons Regulations**" means the regulations of the same name issued by the CMA under Resolution Number 1-83-2005 of 21/05/1426H (corresponding to 28/06/2005G) and as amended from time to time;

"**Business Day**" means a day on which banks are open for business in the Kingdom of Saudi Arabia;

"**Closing Date**" means the date on which the Fund's Initial Offering Period terminates;

"**Capital Market Law**" or the "Authority" means the Saudi Capital Market Authority;

"**Custodian**" means Riyadh Capital, a closed shareholding company registered in Riyadh, Kingdom of Saudi Arabia under Commercial Registration No. 1010239234 and a CMA-Licensed person under license No. 37-07070.

"**Board**" the Board of Directors of the Fund;

"**Fund Manager**" means SICO Capital, a Saudi Joint Stock Company having Commercial Register No. 1010259328 and a CMA-Licensed person under license No. 37-08096;

"**Fund Term**" refers to the Fund's term of 99years as of the date of listing, renewable at the discretion of the Fund Manager subject to the Capital Market Authority's approval;

"**Initial Investment Portfolio**" means certain assets owned by Mecca Income-Generating Fund (Eskan Tower 5), and Eskan for Development Co. (Eskan Towers 4 and 6), which will be acquired by the Fund prior to the listing date;

"**Investment**" means any real estate asset that the Fund benefits from;

"**Listing Date**" means the date on which the units will be listed on the market and made available for trading;

"**Net Asset Value**" means the total asset value less the total amount of liabilities as described in

paragraph (j) of these Terms and Conditions;

"Offering" means the public offering of Units in accordance with these Terms and Conditions;

"Offering Period" refers to the period during which the units of the Fund are offered to investors;

"Unit holders of the Public" means any unit holder falling under any of the following: (a) the unit holder who owns 5% or more of the units; (b) the Fund Manager or any of his affiliates; or (c) a member of the Fund Board;

"Real Estate Investment Funds Regulations" means the regulations of the same name issued by the Capital Market Authority under Decree No. 1-193-2006 of 19-6-1427H (corresponding to 15/7/2006 AD), and as amended from time to time;

"Real Estate Investment Funds Instructions" means the real estate investment funds instructions issued by the Capital Market Authority under its resolution No. 6-130-2016 dated 23/1/1438 (corresponding to 24/10/2016);

"Related Party" means any of the following: (a) the Fund Manager; (b) Custodian; (c) a developer appointed by the Fund Manager in respect of the Fund; (d) any valuation company used by the Fund to evaluate the Fund's assets; and (e) the Fund's Auditor (f) any member of the Board of Directors of the Fund; (g) any unit holder holding more than 5% of the Fund's units; (h) any person or entity controlling or affiliated with any of the said parties; (i) any of the Executive Directors or any of the employees of the said Parties;

"Fund Currency" the currency on which basis the Fund's unit price is valued, which is the Saudi Riyal;

"Riyal" means the Saudi Riyal, the official currency of the Kingdom of Saudi Arabia.

"Special Purpose Vehicle" means a Limited Liability Company established by the Custodian to hold the Fund's assets ownership;

"Sharia Investment Guidelines" means the Fund's Islamic Sharia Guidelines, which are approved by Shariyah Review Bureau and under which the Fund determines the validity of investments as set out in Appendix C;

"Sharia Advisor" means the Sharia Review Bureau as a legal adviser to the Fund, as set out in Appendix C;

"Subscription Form" means the document showing the amount of participation in the capital by unit holder. It is a legally binding contract under which the investor buys the units after such contract is approved by the Fund Manager;

"Subscription Amount" means the amount contributed by the unit holder to subscribe to the Fund;

"Tadawul" means the Saudi Stock Exchange;

"Termination Event" refers to a situation that causes termination of the Fund in accordance with paragraph (c) of these Terms and Conditions;

"Unit" means a unit in the Fund;

"Unit Holder" means an investor who invests in one or more units through ownership;

"Valuation Day" means the day on which the Fund's assets are valued in accordance with paragraph (j) of these Terms and Conditions.

"Finance Structuring Fees" means the fees that the Fund Manager will charge for arranging financing from a licensed-SAMA bank operating in the Kingdom of Saudi Arabia or any other licensed bank outside Saudi Arabia by regulatory bodies and central banks, for the benefit of the Fund or any special purpose vehicle during the term of the Fund.

"Internal Return Rate" means the effective compound annual rate of return when payments are made in an irregular period, or the rate of return that determines the present net value of all cash flows (positive and negative) from an investment. Similarly, the discount rate in which the net present value of the future cash flows is equal to the initial investment; and also the discount rate in which the total present value of the cost equals the negative cash flows (gross present value) of the interest (positive cash flows).

"Hedge Contracts" are intended to hedge against the interest rates when obtaining funding.

"Dealing Fee" is the fee payable to the Fund Manager and Brokers for the assets that may be acquired by the Fund in the future in return for the conduct of necessary investigation, negotiation of the terms of purchase of the relevant and completion of the deal by the Fund Manager. This fee falls due following the completion of the purchase of each asset.

"Mortgage" is the loan that allows the borrower, whether an individual or an institution to borrow money against a property. The ownership of the property represents a guarantee of the loan. In other words, if the borrower fails to repay the loan, the lender has the right to take the necessary measures to own the property. The property shall remain mortgaged until the loan is repaid. The lender is here called the mortgagee and the borrower is the mortgagor.

"Value Added Tax" is an indirect tax levied on all goods and services purchased and sold by companies with some exceptions. It is deemed as a primary source of income that contributes to the strengthening of the budgets of the countries. The Kingdom has applied the value added tax at 5% starting 1st January 2018 (14/04/ 1439). VAT is levied at each stage of the supply chain, from production through distribution to the final sale of a good or service. The consumer pays the VAT on the goods and services he buys, while companies pay the government the VAT charged for consumer purchases, and these companies recover the value added tax paid to their suppliers.

"Mecca Income Generating Fund" is a sharia-compliant, privately offered and closed real estate investment Fund. The fund was launched in March 2014 for a period of three years renewable for two additional periods one year each. The Fund is a periodic (semi-annual) income-generating Fund in the city of Mecca.

"Muscat Eskan Company" is a special purpose vehicle established to register and to keep the real estate title deeds of the Mecca Income-generating Fund. The Company is currently owned by the Custodian of Mecca Income Generating Fund (Albilad Capital). Its ownership will be transferred to the new custodian (Riyad Capital) for keeping and registration of the real estate title deeds of SICO Saudi REIT Fund.

Section 1: Executive Summary

This summary should be read as an introduction to these Terms and Conditions and may not be relied on alone apart from the information provided in more detail in these Terms and Conditions. Any investment decision must be made based on the Terms and Conditions as a whole. The terms listed below and not defined shall have the meanings specified in Appendix A.

Overview

SICO Saudi REIT Fund is a Sharia-compliant closed-ended real estate investment fund. The Fund operates in accordance with the Capital Market Authority's Real Estate Investment Funds Regulations and Real estate Investment Funds Instructions. Following the closing date, the approval of the CAM and completion of subscription, the Fund will be listed on the "Capital Market" and its units will be traded in accordance with Tadawul applicable regulations. The term of the Fund shall be 99 years as of the date of listing and may be renewed at the discretion of the Fund Manager subject to the Capital Market Authority's approval. The size of the Fund's initial assets (total target value) will be SR 572,400,000.

The Following Assets will be Purchased:

Eskan Tower 4 is a hotel in Azizia Quarter of Mecca and is 5.5 km east of the Holy Mosque of Mecca. It is basically a hotel Tower for housing pilgrims and Umrah performers and can be occupied throughout the year as desired by the Tenant. It is currently owned by Eskan for Development and Investment Co.

Eskan Tower 5 is a hotel in the Al-Shesha Quarter of Mecca on the pilgrimage route. It is 3.5 km from the Holy Mosque of Mecca, 4.5 km from Mina and 2 km from Jamarat. It is a hotel Tower for housing pilgrims and Umrah performers and can be occupied throughout the year as desired by the Tenant. It is owned by Mecca Income Generating Fund and managed by SICO Capital.

Eskan Tower 6 is a hotel located northern of Azizia Quarter, Al-Masjid Al-Haram Street, opposite Bin Dawood Azizia hyper market, Mecca. It is a hotel Tower for housing pilgrims and Umrah performers. It can be operated all the year round as per Tenant's desire and is currently owned by Eskan for Development and Investment Company. It is in the name of NCB Bank, the owner of the Real Estate Developing for Ownership and Management Ltd., against a mortgage in favor of the NCB Bank of SR 117,400,000 (Saudi Riyals one hundred and seventeen million and four hundred thousand).

For details on the above mentioned properties, see Section 2

Fund Manager

The Fund is managed by SICO Capital Company, a one-person closed shareholding company licensed by the Authority as a "Licensed Person" under License No. 08096-37 dated 27/06/1430H (corresponding to 20/06/2009).

The main activity of SICO Capital, a company based in Riyadh, Saudi Arabia, is wealth management, asset management, advisory, corporate finance and custody services for high net worth individuals, family offices and institutions. The investment team of SICO Capital includes professionals with different expertise in asset management and investment banking.

SICO Capital is currently managing Mecca Income Generating Fund (Eskan 5 Tower); a Sharia compliant privately offered and closed real estate Fund.

About Mecca Income Generating Fund Managed by SICO Capital:

It is a sharia-compliant, privately offered and Closed Real Estate Investment Fund. The Fund was launched in March in 2014 for a period of three years, renewable for additional two periods of one year each, in order to meet the investors' needs for a periodic (semi-annually) income-generating investment channel, in the city of Mecca. The Fund has no loans at this time.

Fund Investment and Strategic Objectives

The main objective of the fund is to provide current income to investors by investing in structurally developed and income-generating real estate assets of no less than 75% of the total value of the fund's assets according to the latest audited financial statements in structurally developed and income-generating real estate assets in the Kingdom of Saudi Arabia. In addition, the Fund may invest in real estate outside the Kingdom of Saudi Arabia up to a maximum of 25% of the Fund's total assets.

The Fund will distribute dividends twice a year in January and July (semi-annual cash dividend) up to a minimum of 90% of the annual net profits of the Fund except for the capital gains arising from the sale of the real estate assets and other investments which may be reinvested for acquiring additional assets or renewal of the Fund's existing assets. In the absence of an appropriate investment opportunity within 6 months as of the date of sale of an asset or assets, net sale proceeds shall be distributed to unit holders.

Since the Fund will invest in developed and ready-to-use real estate assets, it may also invest in real estate projects up to a maximum of 25% of the total assets of the Fund to further increase the value of the unit provided that it invests in developed real estate assets that generate periodic income of at least 75% of the Fund's total assets.

Fund Summary

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| Fund Name and Type | The name of the Fund is SICO Saudi REIT Fund, a Sharia compliant closed-end real estate investment fund established under the laws and regulations of the Kingdom of Saudi Arabia and subject to the regulations and instructions of the Capital Market Authority. |
| Investment Objective | The main objective of the fund is to provide current income to investors by investing in structurally developed and income-generating real estate assets of no less than 75% of the total value of the fund's assets according to the latest audited financial statements in structurally developed and income-generating real estate assets in the Kingdom of Saudi Arabia. In addition, the Fund may invest in real estate outside the Kingdom of Saudi Arabia up to a maximum of 25% of the Fund's total assets. |
| Initial Offering Period | 5 business days starting 1 st November 2017 till 7 th November 2017 |
| Total Target Amount | SR572,400,000 |
| In-Kind Shares | Maximum SR 400,680,000 |
| Public Offering | Minimum SR 171,172,000 |
| Unit Price | SR 10 |
| Subscription Fees | 2% of the total target amount |
| Minimum Subscription in Initial Offering | SR 10,000 (1,000 unit) |
| Maximum Subscription in The Initial Offering | SR 28,600,000 (2,860,000 unit) |
| Fund Currency | Saudi Arabian Riyal (SAR). |
| Fund Manager and Administrator | SICO Capital, a one-person shareholding Company registered in the Commercial Register of the Kingdom of Saudi Arabia under No. 1010259328, and a person licensed by the Saudi Capital Market Authority (CMA) under License No. 08096-37 |
| Subscription Applications Receiving Parties | <ol style="list-style-type: none"> 1. Al-Inma Bank, a Saudi joint stock company established pursuant to the Royal Decree No. (M/15) dated 28/2/1427H (corresponding to 28/3/2006), and the Council of Ministers' Resolution No. 42 of 27/27 /1427H (corresponding to 27/3/2006), in accordance with the provisions of the Companies Law promulgated by Royal Decree No. (M/6) dated 22/3/1385H, the Banking Control Law, the Council of Ministers' Resolution No. (245) dated 26/10/1407H, and other regulations in force in the Kingdom of Saudi Arabia. The bank's main business is banking and investment activities. Its headquarters is in Riyadh. 2. Riyadh Bank. the Bank has been established as a Saudi joint stock company pursuant to the Royal Decree and the Council of Ministers' decision No. 91 of Jumada Al-Awwal 1377H corresponding to November 23, 1957. The Bank operates under Commercial Registration No. 1010001054 dated 25 Rabea Thani 1377H (corresponding to 18 November 1957). The bank's main business is banking and investment activities. Its headquarters is in Riyadh. 3. SAMBA Financial Group is a financial group established in |

| | <p>1980 under the Royal Decree No. 38 of 1980 under the name of the Saudi American Bank by acquiring the branches of Citigroup in the Kingdom of Saudi Arabia. The Bank's main business is banking and investment activities. The headquarters of the bank is in Riyadh.</p> <p>4. SICO Capital Company. Riyadh, King Fahd Road, Tamkeen Tower PO Box 64666 Riyadh 11546.</p> | | | | |
|---|---|---|----------------|-----------------------------|------|
| Fund Term | The Fund Term will be 99 years as of the date of listing, and renewable at the discretion of the Fund Manager subject to the approval of the Capital Market Authority. | | | | |
| Risk Level | High For further information, please read paragraph (g) of these Terms and Conditions. | | | | |
| Eligible Investors | Subscription to units is available to the following categories: (a) Saudi natural persons, (b) institutions, companies, investment funds and other legal entities wholly owned by Saudi nationals only. | | | | |
| Policy And Timing of Dividend Distribution | The Fund Manager aims to distribute semi-annual cash dividends in January and July to investors at a rate of at least 90% of the annual net profit of the Fund, except for capital gains arising from the sale of real estate assets and other cash investments which may be reinvested in additional assets. | | | | |
| Target distributions | The dividends distributed to the unit holders shall be no less than 90% of the annual net profits of the Fund. | | | | |
| Borrowing | The Fund Manager may, on behalf of the Fund, obtain Sharia-compliant funding, and the percentage of funding obtained shall not exceed 50% of the total Fund's NAV. | | | | |
| Compliance with Sharia Principles | The Fund shall invest and deal in a manner compliant with the Islamic Sharia Principles set out in Appendix C. | | | | |
| Valuation Frequency | At least once every six months, by two independent approved valuers; (twice a year, at the end of the first half of each year and at the end of the second half of each calendar year, corresponding to 30 June and 31 December each year). | | | | |
| Subscription Fees | Subscription fee shall be 2% of the amount of each investor's subscription, payable upon the purchase of units during the period of the offering, and deducted after the allocation of the units. | | | | |
| Management Fees | The Fund Manager is entitled to a management fee of 1% per annum of the Fund's net assets, payable on a quarterly basis. Management fees are calculated on a daily basis during the life of the Fund and are paid from the Fund's net asset value at the end of each quarter. | | | | |
| Performance fees | <p>Upon exiting from any asset, the Fund Manager shall be entitled to a performance fee of 20% of the excess return after the deduction of the internal rate of return of 8% of the value of the real estate, the dealing fees and all fees relating to the property (Net real estate income); as shown in the table below:</p> <table border="1"> <thead> <tr> <th>On selling the asset after the deduction of the internal rate of return of 8% of the value of the real estate, the dealing fees and all fees related to the property, less the cash dividends (net real estate income).</th> <th>Fee Percentage</th> </tr> </thead> <tbody> <tr> <td>Less than the 8% IRR (XIRR)</td> <td>Zero</td> </tr> </tbody> </table> | On selling the asset after the deduction of the internal rate of return of 8% of the value of the real estate, the dealing fees and all fees related to the property, less the cash dividends (net real estate income). | Fee Percentage | Less than the 8% IRR (XIRR) | Zero |
| On selling the asset after the deduction of the internal rate of return of 8% of the value of the real estate, the dealing fees and all fees related to the property, less the cash dividends (net real estate income). | Fee Percentage | | | | |
| Less than the 8% IRR (XIRR) | Zero | | | | |

| | | | |
|--|--|---|-------------------------------------|
| | Higher than the 8% internal rate of return (XIRR) | 20% over 80% | |
| Custody Fees | The Fund pays the Custodian a fee of SR 175,000.00 annual payable quarterly in the amount of SR 43,750.00. These fees are calculated on a daily basis and paid from the Fund's assets at the end of each quarter. | | |
| Finance Structuring Fees | The Fund shall pay the Fund Manager a maximum fee of 1.5% of any funding amount he obtains for the Fund or for any special purpose vehicle during the term of the Fund. | | |
| Administrator's Fees | The Fund shall pay the Administrator an annual fee up to a maximum 0.05% of the Fund's annual net asset value, payable quarterly. The Administrator's fees are calculated on a daily basis and paid from the Fund's assets at the end of each quarter. | | |
| Auditors' Fees | The Fund shall pay the Auditor a fee of SR 18,000 per annum. | | |
| Management, Maintenance and Marketing Contract | The Fund shall pay the Property Manager annual fees for the management, maintenance and marketing contract ("Management, Maintenance and Marketing Contract"). In respect of Eskan Tower 4, no fees will be paid to the Property Manager (Eskan for Development and Investment) during the first five years of the Lease and Property Management Contract. In respect of Eskan Tower 5, no fees will be paid to the Property Manager (Eskan for Development and Investment) during the first four years of the leasing contract Lease and Property Management Contract. As for Tower 6, no fees will be paid to the Property Manager (Eskan for Development and Investment) during the first five years of the Lease and Property Management Contract. In the case of extension of the contract with Eskan for Development and Investment, the rent will be increased by 10% for all towers. If either party terminates the lease after the initial period, Eskan Co. undertakes to hand over the property in the same condition as when received (without any damage or defect including but not limited to, supplies, fixtures, furniture and tools); and thus Eskan shall, irrevocably and unconditionally implement the management, maintenance and marketing works. To avoid any doubt, the implementation of the management, maintenance and marketing contract will be limited to the period following the cancellation of the lease. This item shall be binding only on Eskan Co., and not SICO Capital or the Fund which has the right to appoint a third party to carry out management, maintenance and marketing works following the cancellation of the lease by either party. The parties understand that the management, maintenance and marketing contract has no connection with the lease contract. | | |
| The following table shows the fees for the management, maintenance and marketing contract: | | | |
| Asset | Start of Maintenance Contract | Lease Term | Fees |
| Eskan Tower 4 | The management, maintenance and marketing contract shall commence after the expiry of the initial 5-year tenancy period in case Eskan cancels the lease contract. | 10 years after the expiry of the irrevocable tenancy period | 7% of the total return of the Tower |
| Eskan Tower 5 | The management, maintenance and marketing contract shall commence | 11 years after the expiry of the | 7% of the total return of the |

| | | | |
|--|--|---|-------------------------------------|
| | after the end of the initial 5-year tenancy period of in case of cancellation of Eskan cancels the lease contract. | irrevocable tenancy period | Tower |
| Eskan Tower 6 | The management, maintenance and marketing contract shall commence following the expiry of the initial 5-year tenancy period in case Eskan cancels the lease contract. | 10 years after the expiry of the irrevocable tenancy period | 7% of the total return of the Tower |
| To make sure, no management, maintenance and marketing fees will be paid throughout the duration of the lease as the Tenant is Eskan for Development and Investment. | | | |
| Capital Structuring Fees | The Fund shall pay the Fund Manager a one-time capital structuring fee of 0.25% of the total amount of the subscriptions raised in the Initial Offering after the allocation of Units, and deducted from the Fund's income in the first year. In case of any other subscriptions are raised of cash or in kind, the capital structuring fees shall be 1.5% of the total amount of subscriptions. Such fee shall be paid immediately after the closing of any capital raising. | | |
| Fees of Independent members of the Fund Board | The Fund shall pay the fees of the independent members of the Fund Board of Directors of an amount not exceeding SR 20,000 to all independent members per annum, | | |
| Sharia Board Fees | The Fund shall pay the Sharia Board a fee of SR 18,750 per annum. | | |
| Securities Depository Center Fees | <p>The Fund is expected to pay the following fees for registration in the Saudi Stock Exchange (Tadawul):</p> <ul style="list-style-type: none"> ▪ SR 50,000 plus SR2 per unit holder up to a maximum of SR 500,000 payable to Tadawul for creating a register for unit holders (one-time payment); and ▪ Annually paid to Depository Center based on the Fund market value as follows: <ul style="list-style-type: none"> o SR 0 - 100 million, the Fund pays SR180 thousand o SR 100 - 200 million, the Fund pays SR 220 thousand o SR 200 - 500 million, the Fund pays SR 300 thousand o SR 500 million to 2 billion, the Fund pays SR 400 thousand o SR 2 - 5 billion, the Fund pays SR500 thousand o SR 5 - 10 billion, the Fund pays SR 600 thousand o More than 10 billion, the Fund pays SR 700 thousand <p>The fees mentioned above are subject to change as determined by Tadawul.</p> | | |
| Listing in Tadawul Fees | <p>The Fund is expected to pay the following listing fees:</p> <ul style="list-style-type: none"> ▪ SR50,000 initial listing fees (one-time payment); ▪ 0.03% of the Fund market value per annum (minimum SR 50,000 and maximum SR 300,000). <p>The fees mentioned above are subject to change as determined by Tadawul.</p> | | |
| Other Expenses | The Fund is liable for paying other administrative, professional and operational expenses which include (but may not be limited to) all costs | | |

| | |
|--|---|
| | incurred by the Fund for the acquisition of the real estate assets, including but not limited to, conduct of due diligence, advisory, legal and valuation costs. In addition to the costs of insurance, fees, other governmental, municipal or regulatory expenses. The Fund shall bear all the costs and expenses of the related special purpose vehicles, and the other expenses are expected not exceed 1% of the Net Asset Value of the Fund. For further information, please refer to paragraph (i) of these Terms and Conditions. |
| Dealing Fees | The Fund Manager shall pay the Fund Manager 2.5% of the purchase price of each asset purchased by the Fund for the assets that may be acquired by the Fund in the future. These fees are in return for the Fund Manager conducting the necessary investigation, negotiation of the terms of purchase and completion of the deal. These fees are payable after the completion of the purchase of each asset. For the current assets of Eskans 4, 5 and 6, the Fund Manager or any other third party will not incur any dealing fees. No other fees will be paid other than above mentioned fees. |
| Zakat and Tax | The Fund Manager will not calculate the Zakat or Income or repay the same as it is the responsibility of the unit holders. |
| Voting rights | Unit holders have the right to vote at the unit holders' meetings according to unit holders meeting policy set forth in paragraph (voting rights) of these Terms and Conditions. A material change is: <ul style="list-style-type: none"> - Significant change in the objectives or nature of the Fund; - a change that may have a material adverse impact on the unit holders or their rights in the Fund; - a change that has an impact on the risk profile of the Fund; - a change relating to the Fund's capital increase |
| Restrictions on Transfers (Trading) | On listing, the units are traded in the same manner as the shares of the listed companies in Tadawul. Therefore, unit holders can buy and sell units during the daily trading hours through the market or through authorized brokers. |
| Risk Factors | There are some risks associated with investing in the Fund. Paragraph (g) of the Terms and Conditions contains examples of these risks, which a potential investor should carefully consider before deciding to invest in the Fund. |
| Conflicts of Interest with Related Parties | A full disclosure has been made regarding the conflict of interest between the Fund Manager and subscribers related-parties. It is advisable to review the details mentioned in paragraph (t) of these Terms and Conditions. |
| Governing Law | The Real Estate Investment Fund is subject to the regulations of the Kingdom of Saudi Arabia and the regulations issued by the Capital Market Authority in accordance with the Real Estate Investment Funds Instructions and the Real Estate Investment Funds Regulations. |

Expected time schedule:

Following the completion of subscription:

| Steps | Expected duration |
|---------------------|--------------------------|
| Offering Period | 35 working days |
| Subscription Period | 01/11/2017 to 07/11/2017 |

| | |
|--|---|
| Extension of Subscription Period | 30 calendar days from 08/11/2017 to 07/21/2017 |
| Surplus Refunds to Subscribers After the Close of the Offering Period | 5 working days after allocation |
| Surplus Refunds to Subscribers if Target Amount is not Raised | 5 working days after the initial offering period and any extension thereof |
| Allocation Period | 10 working days after the closing of the offering |
| Minimum Subscription | SAR 10,000 |
| Maximum Subscription | SR 28,600,000 |
| Completion of Acquisition of Real Estate Assets <ul style="list-style-type: none"> - Signing the Sale and Purchase Agreement - Transfer of Deeds to the Fund - Signing the Lease Agreement | During sixty calendar days from the end of the allocation period |
| Start of Units Trading in the Saudi Stock Exchange | Within 30 calendar days of the signing of the sale and purchase agreement, and the Fund's units will not be listed before the transfer of ownership in full in the name of the Fund |
| Dividends 2017 | During January 2018 |
| Dividends 2018: First Distribution | During July 2018 |
| Dividends 2018: Second Distribution | During January 2019 |
| Dividends will be Distributed Throughout the Period of the Fund | First Distribution: During January every calendar year During July every calendar year |

Section 2: Terms and Conditions

1. Introduction

This document sets forth the Terms and Conditions for the offering of SICO Saudi REIT Fund units; a Sharia-compliant closed Real Estate Investment Fund. The Fund is managed by SICO Capital Company, a person licensed by the Capital Market Authority under License No. 37-08096. These Terms and Conditions constitute the contractual relationship between the Fund Manager and the unit holders, under which the Fund was established.

The fund will be listed in Tadawul, subject to the approval of the CMA. The fund is denominated in Saudi Riyals and is traded in Tadawul.

2. Terms and Conditions

(a) Name and type of Fund

The name of the Fund is SICO Saudi REIT Fund, a closed-end real estate investment fund established in the Kingdom of Saudi Arabia under the Real Estate Investment Funds Regulations and the Real Estate Investment Funds Instructions issued by the Capital Market Authority.

(b) Fund Manager headquarters address and website for any information on the Fund or its Manager

Fund Manager: SICO Capital Company
Fund Manager's Address: Tamkeen Tower – 11th floor, King Fahd Road, Riyadh
P.O. Box 64666
Riyadh 11546
Kingdom of Saudi Arabia
Tel: +966-11-279-9877
Fax: +966-11-279-9876
Website: www.sicocapital.com.sa
E-mail: info@sicocapital.com

(c) Fund Term

The Fund term shall be (99) years from the date on which the Units are listed on the Saudi Stock Exchange 'Tadawul' ("Date of Listing") and made available for trading ("Fund Term"). The term of the Fund is renewable at the discretion of the Fund Manager after obtaining the approval of the Capital Market Authority.

(d) The date of issuance of the Fund's Terms and Conditions or the latest update thereto:

These Terms and Conditions were issued on 16/01/1439H corresponding to 16/10/2017 and were updated on 09/4/1443H corresponding to 14/11/2021

(e) Fund objectives

The main objective of the fund is to provide current income to investors by investing in structurally developed and income-generating real estate assets of no less than 75% of the total value of the fund's assets according to the latest audited financial statements in

structurally developed and income-generating real estate assets in the Kingdom of Saudi Arabia. In addition, the Fund may invest in real estate outside the Kingdom of Saudi Arabia up to a maximum of 25% of the Fund's total assets.

(f) Description of the Fund's Purpose and Investment Objectives

The Fund aims to achieve steady rental income and periodic cash dividends of at least 90% of the annual net profit, including at least 75% of the total value of the fund's assets according to the latest audited financial statements in real estate assets that are structurally developed and generate income within the Kingdom of Saudi Arabia.

The Fund will primarily invest in developed and income-generating properties in Saudi Arabia. However, the Fund may invest in real estate outside Saudi Arabia up to a maximum of 25% of the total value of the Fund's assets.

As the Fund will invest primarily in developed and ready-to-use real estate assets, it may also invest in feasible real estate development projects with the aim of increasing the value of the unit provided that the fund does not invest in vacant land. The Fund may also invest in the renovation and redevelopment of existing properties, property repurchase agreements, right of first refusal, cash and cash equivalents and in the units of investment funds licensed by the Capital Market Authority, shares of sharia-compliant and real estate companies listed in Tadawul up to a maximum of 25% of the total value of the Fund's assets.

In addition, the Fund may reinvest any capital profits arising from the sale of Fund-owned assets or any undistributed rental amounts through the acquisition of additional real estate assets, including investment in promising properties that offer opportunities to increase their operational efficiency and raise the rates of their rental returns than they were upon acquisition, by modifying one or some of the real estate characteristics such as design, leasing strategies relating to the Tenant mix, the rental price and the purposes for use or otherwise.

The Fund aims to distribute semi-annual cash dividends to investors to be distributed within 30 business days as of the beginning of each half of calendar year (1st January and 1st of July). The distribution will not be less than once a year. Dividends will not be less than 90% of the annual net profit of the Fund, except for capital gains arising from the sale of the real estate assets and other investments, which may be reinvested through the acquisition of additional real estate assets and/or the maintenance and renovation of any Fund-owned assets.

The Fund may make other investments in a way that does not conflict with the restrictions mentioned in the investment concentration policies mentioned in item (g) of paragraph (2) below.

(g) Summary of the Fund's Strategies for Achieving the Objectives

The Fund Manager will strive to achieve the Fund's investment objectives, that mainly focusing on achieving periodic rental returns through the creation of a portfolio of real estate assets including hotel, office, logistics, residential, retail and mixed-use properties

as well as the assets used in the education and health services sectors, which meet the requirements of due diligence including the real estate valuation, feasibility of investment, technical studies, legal reviews and other studies.

The Fund intends to achieve its objectives and enhance the value of shareholders' capital by:

- Re-invest the retained income in viable real estate investment assets after distributing at least 90% of the net profit, excluding capital gains from the sale of real estate assets and other investments. The proceeds of sale will be distributed to unit holders if case of no appropriate investment opportunity six months after the date of sale of the assets.
- The potential increase in the value of capital resulting from the increased level of returns, by seeking to increase the number of properties owned by the Fund.
- Optimal use of the vacant properties and implement other improvements to the real estate assets to maximize the use of lease space.

The Fund's initial real estate portfolio will mainly include real estate in the hotel and retail sector located in Mecca. In the future, the Fund will seek to invest in other properties outside Mecca and Madinah and may include real estate investments outside the Kingdom of Saudi Arabia in addition to making other investments in a way that does not conflict with the restrictions mentioned in the investment concentration policies stated in this item.

The Fund will seek to achieve its investment objectives by:

1) Description of the types of real estate assets in which the Fund will invest

The Fund's investment portfolio consists primarily of the assets set out below. It may also include additional properties to be acquired in the future

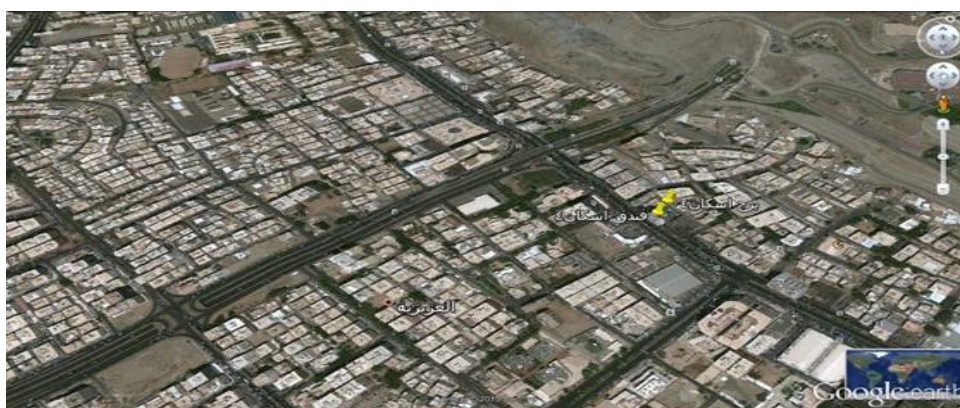
1. First Property:

| Most important elements | Eskan Tower 4 |
|--|---|
| Location | Al Aziziyah Quarter, Mecca city, 5.5 km east of the Holy Mosque of Mecca. It is a hotel Tower for housing pilgrims and Umrah performers |
| Owner | Eskan for Development & Investment Company |
| Area of the plot | 1,287.97 square meters |
| Building areas | 18,053 square meters |
| Construction Completion Date | According to the construction completion certificate dated 13-01-2013 |
| Number of Floors | 23 floors, 17 floors of which are residential units and 6 service floors (restaurant, prayers room, laundry rooms, warehouses, administration and accounting offices) |
| Number of showrooms | 4 |
| Number of rooms | 450 rooms |
| Number of pilgrims authorized for the year 1438H | 1868 pilgrims and Umrah performers |

| | |
|-------------------------------------|---|
| Usage | Hotel Tower for housing pilgrims and Umrah performers |
| Purchase cost | SR 190,000,000 |
| Annual rental | SR 12,825,000 or 6.75% of the total purchase amount. |
| Lease Contract | Eskan Tower 4 lease contract is for fifteen years including the irrevocable five years, for SR 12,825,000 per annum payable semi-annually and distributed in 10 payments during the irrevocable 5-year tenancy period. The rental will increase by 10% upon renewal of the lease for five years thereafter. The lease contract will be signed after the transfer of the title deed to the custodian of the fund directly. |
| Annual returns for the last 3 years | Eskan Tower 4 has not been operated or rented since its establishment |
| Notes | N/A |

- Eskan Tower 4 is located in Aziza Quarter, Mecca, and is 5.5 kilometres east of the Holy Mosque of Mecca. It is a hotel Tower for housing pilgrims and Umrah performers and is owned by Eskan for Development and Investment Company.
- Hotel Tower 4 has not been operated or leased since its establishment and there is no rent income for the last three years.
- The Tower has several permits, including:
 - Civil Defence Certificate from Civil Defence Department
 - Permit for housing pilgrims in the Holy Capital, from the Ministry of Interior.
 - License from the Saudi Commission for Tourism and Antiquities to operate tourist accommodation facilities.
- The value date for receiving the income of the real estate by the Fund shall be as of the date of the transfer of the ownership to the Fund.

Map (1): Location of Eskan Tower 4



The Fund Manager acknowledges that there is direct or indirect conflict of interest between the following parties with respect to Eskan Tower 4

| Party | Eskan Tower 4 |
|-----------------------------|---------------|
| Fund Manager (SICO Capital) | N/A |

| | |
|---------------------------------|-----|
| Fund Board of Directors | N/A |
| Fund Manager Board of Directors | N/A |

2. Second Property:

| Most important elements | Eskan Tower 5 |
|--|---|
| Location | Al-Shesha Quarter, Mecca city, on pilgrimage route. It is 3.5 km from the Holy Mosque of Mecca, 4.5 km from Mina and 2 km from Jamarat. It is a hotel Tower for housing pilgrims and Umrah performers, |
| Owner | Mecca Income-Generating Fund, a private real estate Fund managed by SICO Capital |
| Area of the plot | 1,394.5 square meters |
| Building areas | 19,905 square meters |
| Construction Completion Date | According to the construction completion certificate dated 28-01-2014 |
| Number of Floors | 14 floors, 9 of which are residential and 5 are service floors (restaurant, prayers room, laundry rooms, warehouses, administration and accounting offices) |
| Number of showrooms | N/A |
| Number rooms | 428 rooms |
| Number of Pilgrims Authorized for 1438 | 1976 pilgrims and Umrah performers |
| Usage | Hotel Tower for housing pilgrims and Umrah performers |
| Purchase cost | SR 182,400,000 |
| Annual rental | SAR 12,312,000 or 6.75% of the total purchase amount. |
| Lease Contract | Eskan Tower 5 lease for fifteen years, including the irrevocable first four years, of total rent amount of SR 12,312,000 per annum, payable semi-annually and distributed in 8 installments during the irrevocable 4-year tenancy period. The rent will increase by 10% upon renewal of the contract for a further five years. The lease contract will be signed after the transfer of ownership to the custodian directly. |
| Annual returns for the last 3 years | SR 18,700,000 per calendar year |
| Total returns for the last 3 years | SR 53,400,000 |
| Notes | In 2014, the new Eskan Tower 5 was not yet operational. Based on the study conducted by John Lang LaSalle of the market condition on hotel returns in Mecca at that time, the Tower's income in that area was determined of an average of SR19,640,735.50 based on the prices and expected occupancy rates of the area. After Eskan Company has managed the Tower for more than 4 years in that area and under the current market conditions, the rental income of the Tower was determined of SR 11.4 million per annum based on the current market conditions. The expected income of the Tower reflects the actual income. It is worth noting that the drop in income was natural during the past years and affected all the properties in the Kingdom in general and Mecca as a result of the expansion of the Holy |

| | |
|--|---|
| | Mosque and the reduction in the number of pilgrims and Umrah performers. This is what White Cop has concluded in its new study of the feasibility of the new rental prices. |
|--|---|

- Eskan Tower 5 is located in Al-shesha Quarter, Mecca, 3.5 kilometres from the Holy Mosque of Mecca, and 4.5 km from Mina and 2 km from Jamarat. It is a hotel tower for housing pilgrims and Umrah performers and is owned by the Mecca Income-Generating Fund managed by SICO Finance. It is a hotel Tower for housing pilgrims and Umrah performers and is owned by Eskan for Development and Investment Company.
- The Tower has several permits, including:
 - Civil Defence Certificate from Civil Defence Department
 - Permit for housing pilgrims in the Holy Capital, from the Ministry of Interior.
 - License from the Saudi Commission for Tourism and Antiquities to operate tourist accommodation facilities.
- The value date for receiving the income of the real estate by the Fund shall be as of the date of the transfer of the ownership to the Fund.

Map (2): Location of Eskan Tower 5



The Fund Manager acknowledges that there is a direct or indirect conflict of interest between the following parties with respect to Eskan Tower 5

| Party | Eskan Tower 5 |
|---|---|
| Fund Manager (SICO Capital) | The Fund Manager acknowledges that there is a direct conflict of interest as the Tower is currently owned by Mecca Income-Generating Fund (Private Fund) managed by the Fund Manager. |
| Property Manager (Eskan for Development & Investment Company) | There is a direct conflict of interests as he is the current Tenant of the tower and holds 20% of the total investment units of the Makkah Income Generating Fund. Its Chief Executive Officer, |

| | |
|---|--|
| | Dr. Nabih Bin Abdul Rahman Al Jaber, is a Board Member of the Makkah Income-Generating Fund. |
| Property Owner (Eskan for Development & Investment Company) | There is a direct conflict of interests as he is the current Tenant of the tower and holds 20% of the total investment units of the Makkah Income Generating Fund. Its Chief Executive Officer, Dr. Nabih Bin Abdul Rahman Al Jaber, is a Board Member of the Makkah Income-Generating Fund. |
| Tenant (Eskan for Development & Investment Company) | There is a direct conflict of interests as he is the current Tenant of the tower and holds 20% of the total investment units of the Makkah Income Generating Fund. Its Chief Executive Officer, Dr. Nabih Bin Abdul Rahman Al-Jaber, is a Board Member of the Makkah Income-Generating Fund. |
| Fund Board of Directors | Nothing |
| Board of Directors of the Fund Manager | Nothing |

Profile of Mecca Income Generating Fund Managed by SICO Capital:

A private sharia-compliant Fund was launched in March 2014 for a period of three years, renewal for an additional two periods of one year each, to meet the investors' needs for a semi-annual income generating channel in the city Mecca.

The Fund Manager shall purchase and sell real estate assets in line with the fund's investment strategy. The Fund Manager intends to maintain a diverse portfolio of real estate investment consisting of various properties operating in different sectors through the adoption of different strategies including the following, with the Fund mainly focusing on:

- Acquisition of viable income-generating properties;
- Acquisition of income-generating properties that are not exploited optimally;
- Acquisition of lands for real estate development purposes.

As the Fund will invest in developed and ready-to-use real estate assets, it may also invest in the development of feasible real estate projects on vacant land, redevelop, renovate or renovate existing properties, provided that it invests in developed real estate asset generating at least 75% of the Fund's total assets;

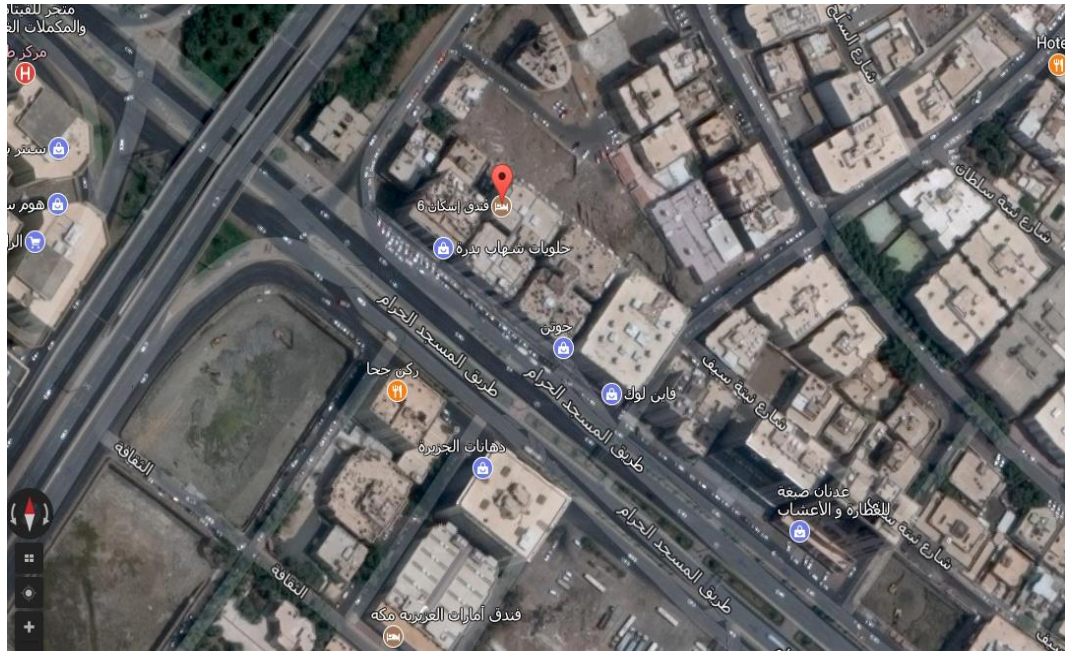
3. Third Property:

| Most important elements | Eskan Tower 6 |
|-----------------------------------|--|
| Location | Al-Azizia Quarter, Mecca city, on pilgrimage route. It is a hotel Tower for housing pilgrims and Umrah performers, |
| Owner | Eskan for Development and Investment Company |
| Area of the plot | 1,458 square meters |
| Building areas | 15,314square meters |
| Construction Completion Date | According to the construction completion certificate dated 24-08-1436 |
| Number of Floors | 18 floors, 6 of which are service floors (underground, ground, mezzanine, restaurant, prayers room, and services) |
| Number of showrooms | 5 |
| Number rooms | 255 rooms |
| Number of Pilgrims Authorized for | 1286 pilgrims and Umrah performers |

| | |
|-------------------------------------|---|
| 1438 | |
| Usage | Hotel Tower for housing pilgrims and Umrah performers |
| Purchase cost | SR 200,000,000 |
| Annual rental | SAR 13,500,000 or 6.75% of the total purchase amount. |
| Lease Contract | Eskan Tower 6 lease for fifteen years, including the irrevocable first five years, total rent amount of SR 13,500,000 per annum, payable semi-annually and distributed in 10 installments during the irrevocable 5-year tenancy period. The rent will increase by 10% upon renewal of the contract for further five years. The lease will be signed after the transfer of the ownership to the Fund's custodian directly. |
| Annual Returns for the Last 3 Years | Eskan Tower 6 has not been operated or leased since its construction. |
| Notes | The property is mortgaged to the National Commercial Bank and registered in the name of the Real Estate for Development, Ownership and Management company limited. |

- Eskan Tower 6 is located in the northern of Azizia Quarter, Al-Masjid Al-Haram St. opposite Bin-Dawood hyper markets Azizia, Makkah. It is a hotel tower for the housing of pilgrims and Umrah performers.
- The property is owned by Eskan for Development and Investment Company and is registered in the name of National Real Estate Company of the National Commercial Bank. It is mortgaged to NCB Bank against SR 117,400,000. The mortgage will be repaid upon the transfer of the asset to the SPV of the Fund.
 - The hotel tower has not been operated or leased since its construction and there is no revenue (Tower income) for the last three years.
- The Tower has several permits, including:
 - Civil Defence Certificate from Civil Defence Department
 - Permit for housing pilgrims in the Holy Capital, from the Ministry of Interior.
 - License from the Saudi Commission for Tourism and Antiquities to operate tourist accommodation facilities.
- The value date for receiving the income of the real estate by the Fund shall be as of the date of the transfer of the ownership to the Fund.

Map (1): Location of Eskan Tower 6



The Fund Manager acknowledges that there is a direct or indirect conflict of interest between the following parties to Eskan Tower 6

| Party | Hosing Tower 6 |
|---------------------------------|----------------|
| Fund Manager (SICO Capital) | N/A |
| Fund Board of Directors | N/A |
| Fund Manager Board of Directors | N/A |

2) Investment Concentration Policy

The fund will target at least 75% of the total value of the fund's assets according to the latest audited financial statements in real estate assets that are structurally developed and generate income within the Kingdom of Saudi Arabia.

In addition, the Fund may invest in real estate outside Saudi Arabia up to a maximum of 25% of the total assets of the Fund, with the prediction to generate feasible returns and increase in the investment value.

Since the Fund Manager will invest in suitable and developed real estate assets with a minimum of 75% of the Fund's total assets value in Saudi Arabia, this limit applies only to real estate assets and do not include any other investments of the Fund such as shares of real estate companies listed in Tadawul, Islamic deposits and Islamic public Murabaha funds licensed by the Capital Market Authority.

Furthermore, the Fund may invest up to a maximum of 25% of its asset value in the development of feasible real estate on vacant lands, redevelopment, renovation or rehabilitation of existing properties, provided that the Fund does not invest in vacant lands without the intention to develop such lands. The Fund may also invest in repurchase agreements, right of first refusal and Islamic deposits with local or GCC

banks of minimum credit rating (Baa3) by Moody's and lowest rating (BBB) by investment according to Fitch and Standard & Poor's, sharia-compliant public money market funds licensed by CMA, sharia-compliant companies listed on the stock market and sharia-compliant real estate investment funds licensed by the Capital Market Authority and listed on the stock market.

Taking into account the restrictions set out in the table below; there are no requirements on concentration or diversification of investment that may limit the size or percentage of each investment of the Fund's capital as a whole. The Fund's investment concentration policies are as follows:

| Investment type | Allocation % |
|--|--|
| Real estate assets that are structurally developed and generate income within the Kingdom of Saudi Arabia. | 1. At least 75% of the total value of the fund's assets. |
| Real estate investments outside Saudi Arabia | 2. Up to a maximum of 25% of the total value of the Fund's assets. |
| <ol style="list-style-type: none"> 1. Real estate development, whether owned by the Fund or not. 2. Renovation and redevelopment of real estate. 3. Real estate repurchase agreements. 4. Cash and cash equivalents, units of investment funds licensed by the Authority, sharia-compliant real estate companies listed on the Saudi Stock Exchange (Tadawul). 5. Right of first refusal. | 3. Maximum of 25% of the total value of the Fund's assets. |
| Investment in vacant lands | 4. The Fund will not invest in white land |

3) Authority to obtain funding

The Fund Manager may, on behalf of the Fund, obtain Sharia-compliant funding subject to paragraph (b), Appendix C. The percentage of finance to be obtained shall not exceed 50% of the Fund's total asset value according to the latest audited financial statements. The Fund may seek to obtain such funding to maximize the expected returns to unit holders and achieve the Fund's objectives. The funding shall be obtained after a thorough study of the cash flows which indicate that the use of loan will lead to maximizing Fund's returns. The actual percentage of funding depends on (a) the studies of the Fund Manager's results including the study of the cash flow of the Fund, (b) special considerations of the arrangement of the funding obtained; and (c) prevailing market conditions. The terms of any financing shall be based on the fact that unit holders will have no right to recourse to the Fund.

The Fund Manager may hedge any financing it receives, and thus the Fund may be exposed to the risks (constrains to obtaining financing for future acquisitions) described in paragraph (g1) of these Terms and Conditions.

4) Methods and means of managing and investing the cash available in the fund

The Fund Manager has the authority to manage and invest the cash available in the Fund for the interest of the investors. Therefore, the Fund Manager may make temporary investments in cash available in Islamic deposit transactions with local or GCC banks of minimum credit rating (Baa3) by Moody's and lowest rating (BBB) by investment according to Fitch and Standard & Poor's, sharia-compliant public money market funds licensed by CMA, sharia-compliant companies listed on the stock market and sharia-compliant real estate investment funds licensed by the Capital Market Authority and listed on the stock market.

Temporary investments may be made with any bank regulated by SAMA, or any similar regulatory body or in public funds licensed by the Capital Market Authority and managed by the Fund Manager or any other fund manager.

5) Leases of the initial real estate assets in which the Fund will invest:

The lease contract of Eskan Tower 4 is for 15 years including the irrevocable first five years, for total amount of SR 12,825,000 per annum, paid semi-annually and distributed in 10 instalments over the irrevocable five-year period. The rental will increase by 10% every five years thereafter. The annual rental is net of any maintenance, management or marketing expenses. Eskan for Development and Investment Company will bear all such expenses regardless of the amount of these expenses.

The following is a summary of the leases of the assets comprising the initial investment portfolio:

| The most important items of the lease contract of Eskan Tower (4) | |
|--|--|
| Item | Description |
| Property purchase value | SR 190,000,000 |
| Lessor | SICO Saudi REIT Fund |
| Tenant | Eskan for Development & Investment Company |
| Lease Term | 15 years of which 5 years are irrevocable |
| Lease start date | As of the date of transfer of ownership |
| Lease contract expiry date | After fifteen years as of the date of transfer of the ownership |
| Lase contract cancelation conditions | <ul style="list-style-type: none"> • The Lessor alone shall have the right to terminate the contract in case the Tenant fails to meet his obligations for more than 15 days without prejudice to any rights due to the lessor. This does not require prior notice or communication to satisfy financial obligations. • The Tenant has no right to cancel the contract before five calendar years as of the beginning of the tenancy period. • Either party may terminate the lease after the initial period provided that a reasonable notice of one year (365 calendar days) is served prior to the expiry date of the initial period. If either party fails to notify the other 365 days before the expiry of the tenancy period, the lease shall be automatically renewed for another five years, and neither party may terminate it without a written consent of the other party. |
| Lease Type | A lease contract where the Tenant (Eskan for Development & Investment) shall bear the costs of management, maintenance, marketing and insurance of the operation of the Tower |

| | |
|--|---|
| Authorized use of the Tower | Hotel tower for housing pilgrims and Umrah performers |
| Total rent during the irrevocable tenancy period | SR 57,950,000 |
| Annual Rent | SR 12,825,000 (for the first five-year period). The target annual rent increase is 10% for the second period (for five years) and other 10% for the third period (for five years). |
| Method of rent payment | Semi-annual payments at the beginning of each six months as of the date of the contract |
| Guarantees of Tenant's obligation | The Tenant shall execute 9 promissory notes in favor of the Special Purpose Vehicle (the company that will own the Real Estate Assets on behalf of the Fund). Each guarantee represents a rental value of SR 6,412,500 (only six million and four hundred and twelve thousand and five hundred Saudi Riyals per promissory note). The value date each promissory note shall be the date of payment of the lease payments for six months, respectively. The first installment will be received directly upon the signature of the lease, by a certified check issued by one of the banks operating in the Kingdom of Saudi Arabia. The net proceeds will be distributed in January 2018. |

Summary of annual rent of Eskin Tower 4

| Period (years) | Amount (SR) | Annual rent target increase |
|--------------------------|----------------------|-----------------------------|
| 1-5 (irrevocable period) | 12,825,000 per annum | N/A |
| 6-10 | 14,107,5000 per year | 10% during the five years |
| 11-15 | 15,518,250 per annum | 10% during the five years |
| For 15 years | 212,253,750 | |

Dates and rental payments for Tower 4 for the irrevocable tenancy period (first five years)

| Payments | Payment date | Rent payment |
|----------|----------------------------|--------------|
| 1 | From date of deed transfer | 6,412,500 |
| 2 | ---/---/2018 | 6,412,500 |
| 3 | ---/---/2018 | 6,412,500 |
| 4 | ---/---/2019 | 6,412,500 |
| 5 | ---/---/2019 | 6,412,500 |
| 6 | ---/---/2020 | 6,412,500 |
| 7 | ---/---/2020 | 6,412,500 |
| 8 | ---/---/2021 | 6,412,500 |
| 9 | ---/---/2021 | 6,412,500 |
| 10 | ---/---/2022 | 6,412,500 |

Second Property

The lease contract of Eskin Tower 5 is for fifteen years including the first irrevocable five years, for total amount of SR 12,312,000 per annum, payable semi-annually and distributed in 10 instalments over the irrevocable five-year period. The lease amount will increase by 10% every five years thereafter. The annual rental amount is net of any maintenance, management or

marketing expenses. Eskan for Development and Investment Company will bear all such expenses regardless of the amount of these expenses.

| The most important items of the lease contract of Eskan Tower (5) | |
|--|---|
| Item | Description |
| Property Purchase value | SR 182,400,000 |
| Lessor | SICO Saudi REIT Fund |
| Lessee | Eskan for Development & Investment Company |
| Lease Term | 15 years of which 4 irrevocable years |
| Lease start date | As of the date of transfer of the ownership |
| Lease contract expiry date | After fifteen years as of the date of transfer of the ownership |
| Lase contract cancelation conditions | <ul style="list-style-type: none"> The Lessor alone shall have the right to terminate the contract in case the Tenant fails to meet his obligations for more than 15 days without prejudice to any rights due to the lessor. This does not require prior notice or communication to satisfy financial obligations. The Tenant has no right to cancel the contract before five calendar years as of the beginning of the tenancy period. Either party may terminate the lease after the initial period provided that a reasonable notice of one year (365 calendar days) is served prior to the initial period expiry date. If either party fails to notify the other 365 days before the expiry of the tenancy period, the lease shall be automatically renewed for another five years, and neither party may terminate it without a written consent of the other party. |
| Lease Type | A lease contract where the Tenant (Eskan for Development & Investment) shall bear the costs of management, maintenance, marketing and insurance of the operation of the Tower. |
| Authorized use of the Tower | Hotel tower for housing pilgrims and Umrah performers |
| Total rent during the irrevocable tenancy period | SR 45,600,000 |
| Annual rent | SAR 12,312,000 (for the first four-year period). The target annual rent increase is 10% for the second period (for five years), other 10% for the third period (for five years) and 10% in the 15 th year. |
| Method of rent payment | Semi-annual payments at the beginning of each six months as of the date of the contract. |
| Guarantees of Tenant's Obligations | The Tenant shall execute 7 promissory notes in favor of the Special Purpose Vehicle (the company that will own the Real Estate Assets on behalf of the Fund). Each guarantee represents a rental value of SR 6,156,000 (only six million and one hundred and fifty six thousand Saudi Riyals per promissory note). The value date each promissory note shall be the date of payment of the lease payments for six months, respectively. The first installment will be received directly upon the signature of the lease by a certified check issued by one of the banks operating in the Kingdom of Saudi Arabia. |

Summary of annual rent of Eskan Tower 5

| Period (years) | Amount (SR) | Annual rent target increase |
|--------------------------|----------------------|------------------------------------|
| 1-4 (irrevocable period) | 12,312,000 per annum | N/A |
| 5-9 | 13,543,200 per year | 10% during the five years |
| 10-14 | 14,897,520 per annum | 10% during the five years |
| 15 | 16,387,272 | 10% during the fifteenth year only |
| For a period of 15 years | 207,838,827 | |

Dates and rent payments of Tower 5 for the irrevocable tenancy period (first four years)

| Payments | Payment date | Rent payment |
|----------|----------------------------|--------------|
| 1 | From date of deed transfer | 6,156,000 |
| 2 | ---/---/2018 | 6,156,000 |
| 3 | ---/---/2018 | 6,156,000 |
| 4 | ---/---/2019 | 6,156,000 |
| 5 | ---/---/2019 | 6,156,000 |
| 6 | ---/---/2020 | 6,156,000 |
| 7 | ---/---/2020 | 6,156,000 |
| 8 | ---/---/2021 | 6,156,000 |

Third Property

| The most important items of the lease contract of Eskan Tower 6 | |
|---|---|
| Item | Description |
| property purchase value | SR 200,000,000 |
| Lessor | SICO Saudi REIT Fund |
| Lessee | Eskan for Development & Investment Company |
| Lease Term | 15 years of which 5 irrevocable years |
| Lease start date | As of the date of transfer of the ownership |
| Lease contract expiry date | After fifteen years as of the date of transfer of ownership |
| Lase Contract Cancellation Conditions | <ul style="list-style-type: none"> The Lessor alone shall have the right to revoke and terminate the contract in case the Tenant fails to meet his obligations for more than 15 days without prejudice to any rights due to the lessor. This does not require prior notice or communication to satisfy financial obligations. The Tenant has no right to revoke the contract before five years as of the beginning of the tenancy period. Either party may terminate the lease after the initial period provided that a reasonable notice of one year (365 calendar days) is given prior to the initial period expiry date). If either party fails to notify the other 365 days before the expiry of the tenancy period, the lease shall be automatically renewed for another five years, and neither party may terminate it without a written consent of the other party. |
| Lease Type | A lease contract where the Tenant (Eskan for Development & Investment) shall bear the costs of management, maintenance, marketing and insurance of the operation of the Tower |
| Authorized use of the Tower | Hotel tower for housing pilgrims and Umrah performers |
| Total rent during the irrevocable tenancy period | SR 62,500,000 |

| | |
|------------------------------------|---|
| Annual rent | SR 13,500,000 (for the first five-year period). The target annual rent increase is 10% for the second period (for five years) and other 10% for the third period (for five years). |
| Method of Rent Payment | Semi-annual payments at the beginning of each six months as of the date of contracting. |
| Guarantees of Tenant's Obligations | The Tenant shall execute 9 promissory notes in favor of the Special Purpose Vehicle (the company that will own the Real Estate Assets on behalf of the Fund). Each guarantee represents a rental value of SR 6,750,000 (only six million and seven hundred and fifty thousand Saudi Riyal per promissory note). The value date each promissory note shall be the date of payment of the lease payments for six months, respectively. The first installment will be received upon the signature of the lease directly by a certified check issued by one of the banks operating in the Kingdom of Saudi Arabia. Net dividends will be distributed in January 2018. |

Summary of annual rent of Eskan Tower 6

| Period (years) | Amount (SR) | Annual rent target increase |
|--------------------------|----------------------|-----------------------------|
| 1-5 (irrevocable period) | 13,500,000 per annum | N/A |
| 6-10 | 14,850,000 per year | 10% during the five years |
| 11-15 | 16,335,000 per annum | 10% during the five years |
| For a period of 15 years | 223,425,000 | |

Dates and rent payments for Tower 6 for the irrevocable tenancy period (first five years)

| Payments | Payment date | Rent payment |
|----------|----------------------------|--------------|
| 1 | From date of deed transfer | 6,750,000 |
| 2 | ---/----/2018 | 6,750,000 |
| 3 | ---/----/2018 | 6,750,000 |
| 4 | ---/----/2019 | 6,750,000 |
| 5 | ---/----/2019 | 6,750,000 |
| 6 | ---/----/2020 | 6,750,000 |
| 7 | ---/----/2020 | 6,750,000 |
| 8 | ---/----/2021 | 6,750,000 |
| 9 | ---/----/2021 | 6,750,000 |
| 10 | ---/----/2022 | 6,750,000 |

Fund Total Returns

The table below shows the total target returns (the annual rent payment divided by the size of the fund) as stated in the lease contracts for the towers (Eskan Towers 4, 5 and 6) assuming that the Tenant has not changed or new assets have not been added.

| Year | Rent Payment | Total Target Return | Net Target Return |
|-------------|---------------------|----------------------------|--------------------------|
| 2018 | 38,637,001.00 | %6.75 | %5.26 |
| 2019 | 38,637,002.00 | %6.75 | %5.28 |
| 2020 | 38,637,003.00 | %6.75 | %5.28 |
| 2021 | 38,637,004.00 | %6.75 | %5.28 |
| 2022 | 39,868,205.00 | %6.97 | %5.50 |
| 2023 | 42,500,706.00 | %7.43 | %5.96 |
| 2024 | 42,500,707.00 | %7.43 | %5.96 |
| 2025 | 42,500,708.00 | %7.43 | %5.96 |
| 2026 | 42,500,709.00 | %7.43 | %5.96 |
| 2027 | 43,855,030.00 | %7.66 | %6.19 |
| 2028 | 46,750,781.00 | %8.17 | %6.70 |
| 2029 | 46,750,782.00 | %8.17 | %6.70 |
| 2030 | 46,750,783.00 | %8.17 | %6.70 |
| 2031 | 46,750,784.00 | %8.17 | %6.70 |
| 2032 | 48,240,537.00 | %8.43 | %6.96 |
| | | | |
| Average | 42,901,182.80 | 7.49% | %6.02 |

6) Active Management

The Fund relies on the Fund Manager's investment team, consultants and external consultants to periodically evaluate the most attractive sectors of the real estate market. The Fund's assets will be managed by an experienced team specializing in real estate investments. The Team will continuously look at the patterns and cycles of the real estate investment market, as well as the fundamentals of the market and the characteristics of the sector to benefit from opportunities in the real estate market and maintain the Fund's long-term objectives. In addition, the Fund Manager has appointed Eskan for Development and Investment Company as a Property Manager for Eskan towers 4, 5 and 6, based on the management, maintenance and marketing fee contained in the Fund's summary. The Fund Manager intends to appoint two other experienced Property Managers to manage the new assets in the event of any future acquisition by the Fund.

Summary of management, maintenance and marketing contract fees:

| Asset | Start of Maintenance Contract | Contract Term | Amount |
|---------------|--|--|-------------------------------------|
| Eskan Tower 4 | The administration, maintenance and marketing contract shall commence after the expiry of the irrevocable initial 5-year tenancy period in case of Eskan cancels the lease contract. | Ten years after the expiry of the irrevocable tenancy period | 7% of the total return of the Tower |
| Eskan Tower 5 | The administration, maintenance and marketing contract shall commence after the expiry of the irrevocable initial 5-year tenancy period in case of Eskan cancels the lease contract | 11 years after the expiry of the irrevocable tenancy period | 7% of the total return of the Tower |

| | | | |
|---------------|---|--|-------------------------------------|
| Eskan Tower 6 | The administration, maintenance and marketing contract shall commence after the expiry of the irrevocable initial 5-year tenancy period in case of Eskan cancels the lease contract | Ten years after the expiry of the irrevocable tenancy period | 7% of the total return of the Tower |
|---------------|---|--|-------------------------------------|

7) Investment Decision Making Process

In the context of the governance of the investment opportunities and in the pursuant of new opportunities in the local real estate market, the Fund Manager's investment team will adopt an investment process to identify opportunities and execute transactions effectively in line with the detailed internal policy established by the Fund Manager's investment team:

Determination of Real Estate

The Fund Manager has identified suitable investment opportunities in line with the criteria approved by SICO Capital Board. The product development team has analyzed each new opportunity to assess its attractiveness based on the following criteria:

- The project from a general perspective of the real estate market.
- Location inducements.
- Purchas price.
- Expected selling price.
- Expected returns.
- Risk factors.
- Existing Tenants and the possibility of marketing the leases.

Presentation of investment opportunities

The product development team has identified a number of properties representing the most attractive investment opportunities. The Fund Manager Investment Committee has reviewed and approved the investment opportunities that satisfy the established criteria, including a presentation of the investment opportunity, a high-level economic feasibility study and a financial model.

Investment Committee

The Investment Committee consists of a number of senior officials of the Fund Manager (SICO Capital), the Chief Executive Officer, Head of Asset Management, Chief Investment Officer and Portfolio Managers.

The Investment Committee shall seek investment opportunities through any of its members or when opportunities are presented to it by any party other than the committee's members, approve or reject such opportunities, and then submit its recommendation to the Board of Directors for approval or rejection according to the authorities described in paragraph (n) of these Terms and Conditions.

Independent feasibility study

The Fund Manager shall, subject to the approval of the Investment Committee, appointed an independent consultant specialized in the real estate sector to prepare a detailed economic feasibility study. The Feasibility study helped to confirm the in house analysis conducted by the Fund Manager and gave insight understanding of the feasibility of the Fund's investment objectives.

The independent feasibility study has been approved by Century White Cubs Office, Riyadh.

Investment Exit Strategy

The Fund Manager shall have specific and well-considered ways to exit the investment in order to maximize the value of disposition of investments in accordance with the prevailing market conditions and the pre-determined exit strategy. The well-thought exit process takes into account the current conditions of the real estate market, the investment environment, asset marketability, maturity of the assets' cycle and any productive disposition of results in higher performance of the Fund.

After determining the opportunity for exiting a particular investment, the Fund's assets may be exited and disposed of at any time during the term of the Fund if the Fund Manager considers that this will enhance the returns to the Fund.

8) Disposition of Investments

The investment objective of the Funds is to provide fixed income to the unit holders, which requires retention of attractive assets for a certain period of time. Therefore, the Fund intends to keep investments in the long run. The Fund Manager will periodically monitor each Fund-owned property and propose specific strategies, including long and short term disposal decisions if these decisions are found to be in the interest of the Fund and the Unit holders. This shall be done after a detailed analysis and study taking into account the following factors, including but not limited to:

- a) The sale price in respect of the potential income;
- b) The strategic proportion of the property within the general investment portfolio;
- c) Strategic proportion of the property within the sector allocation strategy;
- d) Deterioration in relevant market conditions;
- e) Existence of better alternative opportunities.

Prior to any disposition, the Fund Manager will seek to evaluate the relevant property by two independent valuers and comply with the other requirements and conditions relating to the CMA's Real Estate Investment Funds Regulations and Instructions, including the requirement to invest at least 75% of the total assets of the Fund in developed real estate assets to generate periodic income.

The Fund Manager will have an assessment of any property proposed to be sold or disposed of by the Fund from two independent valuers. The Fund Manager shall endeavor to sell the property at a price not less than the average valuation values, in accordance with the prevailing market conditions and the conditions of the real estate, for the interest of the Fund's investors.

9) Ownership Structure

The Fund appointed the Custodian to hold the ownership of the Fund's assets. The ownership of the assets will be registered in the name of a special purpose vehicle established by the Custodian to segregate the Fund-owned assets from those owned by the Custodian.

The assets in the initial investment portfolio will not be pledged when acquired by the Fund. However, after the date of listing, the Fund may obtain funding from one or more financial

institutions. In such a case, the assets of the Fund may be pledged to the financier under the Terms and Conditions of the funding documents.

(h) Investment risks in the Fund

Investment in the Fund involves substantial risk and is suitable only for investors who fully understand the risks of such investment and can afford such risks. Potential investors should carefully evaluate the considerations set out below and other considerations when making their decision. There may be other risks and uncertainties that are not currently known to the Fund Manager or that the Fund Manager may consider to be currently insignificant and which may have a negative impact on the Fund's perspectives and business. No guarantee can be made that the Fund will be able to achieve the investment objective or that investors will receive a return on their capital.

The investment in the Fund does not include any guarantee that the investment will be profitable or that the investor will not incur a loss and therefore each potential investor should take the factors below into consideration before purchasing units in the Fund. Investors are solely responsible for any material loss resulting from the investment in the Fund unless it is the result of fraud, negligence or misconduct by the Fund Manager in accordance with the Real Estate Investment Funds Regulations and the Real Estate Investment Funds Instructions.

1) Risk Factors Associated with the Fund

No Guarantee of Investment Return: No assurance can be given that the Fund will be able to generate returns for its investors or the returns will be commensurate with the investment risks associated with the Fund and the nature of the transactions set out in these Terms and Conditions. The value of the units may decline or investors may lose some or all of the capital they invested in the Fund. No guarantee can be given that the expected or targeted returns of the Fund will be realized. All figures and statistics presented in these Terms and Conditions are for illustration only and do not represent a profit forecast. Actual returns cannot be expected and may differ from the statistics presented in these Terms and Conditions.

Risk of Non-Compliance with the Relevant Regulations: The Fund may cease to qualify as a real estate investment fund under the relevant regulations, which will have a negative impact on the Fund and on the ground which the Funds depends on to generate returns to the unit holders. The requirements to maintain the status of the Fund as a real estate investment fund have not been tested, and the regulating regulations are newly issued and have no previous interpretations. In addition, subsequent changes (including a change to the interpretation of regulations) may be made to the requirements for maintaining the Fund's status as a real estate fund. Potential investors should be aware that no guarantee can be given that the Fund, after being selected as a real estate investment fund, will remain as a real estate investment fund or will continue to maintain such a status (whether due to non-compliance with regulatory requirements or otherwise). If the Fund fails to meet any of the regulatory requirements to maintain its position, the CMA may suspend the trading of the units or cancel the listing of the Fund. The inability to list the Fund on the Saudi stock market (Tadawul) could have negative consequences on the marketability, liquidity and value of the units.

Market Liquidity Risk: The Fund intends to apply for the Units to be accepted for trading on the Saudi Stock Exchange (Tadawul). Acceptance of this request should not be deemed as a sign that there will be a liquid market for the units or such market will be developed following acceptance of the request. If a liquid market is not developed or maintained, unit liquidity and trading rates may be adversely affected. In addition, if this market is not developed, the relatively small

transactions or scheduled transactions on the units may have a significant negative impact on the unit price, whilst it may be difficult to execute the actual or scheduled transactions in a large number of units at a fixed price. The limited number of units and/or unit holders may indicate limited liquidity in these units, which may negatively affect the following: (1) investor's ability to make a profit from some or all of his investment and/or (2) the price by which the investor can achieve returns and/or (3) the price at which the units are traded on the secondary market. Moreover, a large number of units may be issued to a limited number of investors, which may adversely affect the development of an active liquid market for units. Also, although units will be tradable, the market liquidity for the tradable real estate investment units may be lower than market liquidity for shares issued by companies.

Price Fluctuation Risk: There are many factors that may negatively affect the market price of the units. These factors include the movement of the local and global stock markets in general, real estate markets, prevailing and expected economic conditions, interest rates, financing costs, investor trends and general economic conditions. The unit market may be subject to fluctuations and thus lack of liquidity may result in a negative impact on the market value of the units. Therefore, the purchase of these units is suitable for investment by sophisticated investors who understand the risks associated with such investments.

Risk of Trading at a Lower Price than the Initial Offering Price: Units may be traded at a lower price than the offering price, and thus unit holders may not be able to redeem the full value of their investment. Also, the units may be traded at a lower price than their value for several reasons, namely, unfavourable market conditions, investors' pessimistic expectations regarding the feasibility of the Fund's investment strategy and policy and the excessive supply over demand for the units.

Distributions Volatility Risk: Although in accordance with the relevant regulations the Fund is required to distribute at least 90% of its net profit to the unit holders, no guarantee can be given in respect of the rate of future distributions or a guarantee to pay the same. In the event that a Tenant fails to pay the rent on time, or is unable to pay for any reason outside his control or his intent not to pay, the Fund Manager with the current or replacement Property and Operation Manager will try to find a replacement Tenant. Meanwhile, the financial position of the Fund, the results of its operations, cash flows and its ability to provide dividends to investors may be negatively affected by any adverse circumstances affecting these key Tenants, which affects the fulfilment of the semi-annual cash dividends. In addition, the announcement of any future dividends, value and payment of the same (at least 90% of the net profit) is subject to the Fund Manager's recommendation which depends, inter alia, on the performance of the Fund, the financial position of the Fund, the cash requirements and the ability of the Fund to satisfy the applicable regulatory requirements for the payment of distributions.

Risk of Increased Sale of Units: The sale of a large number of units by the Unit holders may result in a significant decrease in the unit price. Any sales of a large number of units in the public market or the perception that such sales would occur will result in a significant and negative impact on the market price of the units.

Risk of Reflection of Fundamental Value: The units' market price may not reflect the value of the Fund's underlying investments. The capital markets are subject to wide fluctuations in terms of prices and volume of transactions from time to time. This fluctuation, in addition to the economic, political and other circumstances, may negatively affect the unit market price. As a public investment fund, the unit price may be affected by a number of factors, many of which are outside the control of the Fund and some of which relate to the Fund and its operations. Some of these factors may affect the real estate investment or equity markets in general.

Risk of Restrictions on Funding for Future Acquisitions: Distribution requirements and funding constraints under the Regulations of the REIT Funds may reduce the Fund's flexibility and ability to grow through acquisitions. It is expected that the Fund will distribute at least 90% of its net profit to unit holders. In order to maintain the status of the Fund as real estate investment fund, the Fund's financing should not exceed 50% of the Fund's total asset value. As a result, the Fund's capacity to improve its assets or achieve growth through the acquisition of additional properties will be limited. As a part of the procedures for obtaining funding, the Fund Manager may hedge against any financing it may receive in the future. Therefore, although funding provides certainty with respect to the Fund's returns, it incurs the Fund additional financing costs.

Risk of No History of Fund Operations: The Fund has no operating history against which potential investors can assess its likely performance and success. Although the Fund Manager has extensive experience in fund management (including management of the initial investment portfolio), the nature of and the risks associated with the Fund's future investments may substantially differ from the investments and strategies undertaken historically by the Fund Manager. The previous results Fund Manager are not necessarily indicative of future performance.

Availability of Appropriate Investments: There can be no assurance that the Fund, following the acquisition of the initial investment portfolio, will be able to identify investments that meet the Fund's investment objectives, particularly in the current market environment. Identifying and structuring appropriate investments for the Fund require a highly degree of unsatisfactory challenge and therefore the Fund Manager's inability to identify appropriate investments may negatively affect the capacity of the Fund to achieve desired returns.

Sharia Restrictions: The Fund's investments must be made in accordance with the of Islamic Sharia principles as determined by the Sharia Board. These principles apply to the investment structure and to some extent to the activities and diversification of the Fund's investments. To comply with these principles, the Fund may be forced to cancel the investment, part thereof or part of the income if the investment or investment structure became non-sharia compliant. In addition, when adhering to Sharia principles, the Fund may lose investment opportunities if the Sharia Board determines that there is any proposed investment that is not in compliance with the Sharia principles and therefore cannot be considered by the Fund. Under certain circumstances, such factors may negatively impact the financial performance of the Fund or its investments, compared with the results that could be obtained if there were no sharia principles to be adhered by the Fund.

Unrestricted use of Fund's Proceeds: Except for the Initial Investment Portfolio, the Fund Manager has not determined the investments to be made following the date of these Terms and Conditions and listing of the Fund. Investors in the Fund will have no chance to assess the economic, financial and other information relating to the investments.

Changes in Market Conditions: The Fund's future performance would largely depend on the changes in the supply and demand situation of the hotel and real estate sectors, which may be affected by the economic, political, regional and local conditions as well as the increasing competition which will result in a decline in the value of real estate, limited availability of mortgage funds, increase in mortgage prices and fluctuations in supply and demand.

Non-Participation in Management: Except as provided in these Terms and Conditions, unit holders have no right or power to participate in the management of the Fund or to influence any of the Fund's investment decisions. All management responsibilities will be entrusted to the Fund Manager as described herein.

Dependence on Key Personnel: The success of the Fund is significantly dependent upon the success of the key personnel of the Investment Team. The loss of the services of any of the members of its

management team, in general (whether through resignation or otherwise), or the inability to attract and retain additional personnel, could materially affect the Fund's business and prospects.

Risk of Increase of Management Fees Percentage on Fund's Income: The Fund pays 1% of its net asset value as management fees while the Fund income from rents is fixed for a long period. Net asset value is expected to change from time to time, which may result in a decline or increase in the management fees of the Fund Manager. In the event of an increase, management fees will raise by a percentage of the Fund's annual fixed income, which may negatively affect the periodic returns of the Fund's units.

Conflicts of Interest Risk: The Fund is subject to various conflicts of interest as the Fund Manager and its affiliates, their respective managers, officers and associates may get involved in a direct or indirect engagement in the real estate or other business activities. In this regard, the Fund may from time to time deal with the persons, companies, institutions or companies associated with the Fund Manager's affiliates to facilitate investment opportunities. The parties who have been delegated certain responsibilities by the Fund Board of Directors (including the Fund Manager) are not required to devote all of their resources to the Fund. In the event that any of the said parties have dedicated their responsibilities or resources to third parties, this may limit their ability to devote their resources and responsibilities to the Fund, which may affect the ability of the Fund to achieve its objectives in terms of revenue growth and the ability to achieve better market value for the units.

2) Risk Factors Related to the Fund's Assets

Acquisition of Initial Real Estate Assets: The Fund has entered into a purchase agreement with Makkah Income Generating Fund and Eskan for Development Company to acquire the initial real estate assets prior to the listing date of Towers 4, 5 and 6 within 60 days of the closing date. Notwithstanding the legal commitment of the purchase agreements, if either party fails to pay under the purchase agreement, the acquisition may not take place on the listing date or on any date at all. In this case, the Fund will need to identify other assets for acquisitions before it can initiate distributions to the unit holders. Despite the Fund Manager's expectation that the fund will continue to provide investors with the target long-term returns, investor returns may decrease in the near future

Concentration on Real Estate Sector: The Fund may invest in specific sector concentrated assets, for example commercial, office real estate and/or warehouse sectors. If the Fund concentrates its investments in one or more sectors, this may expose the Fund to the risk of economic recession, rather than if the Fund's portfolio includes assets in another sector or sectors. As a result, such recession may negatively affect the financial position of the Fund, its operating results, cash flows and ability to provide dividends to investors.

Real Estate General Risk: The Fund's investments will be subject to the risks generally incident to the ownership of real estate, and/or leasing, and/or development and/or re-development of real estate. Such risks include, but are not limited to, changes in and local economic conditions, changes in the investment climate, changes in local real market conditions and characteristics, changes in demand for or supply of competing companies in certain region (as a result of over-construction), risks of power supply shortage, various uninsured or uninsurable risks, risks of natural disasters, risks of changes in governmental regulations (e.g. rent control), changes in property taxes, VAT, rates of return, risks of availability of mortgage Funds that may offer sale services of hard or non-practical real estate or re-finance the same, risks of changes in environmental obligations, potential obligations related to the disposition of assets, risks of terrorist attacks, wars and other factors beyond the control of the Fund Manager. No guarantee can be given that there will be a ready market for the resale of investments as investments in general are illiquid. Illiquidity may result from the absence of a dynamic market for investments and from the legal contractual restrictions

on the resale of investment (including any restrictions on the dispositions of investments by the financiers who provide funding for the acquisition of relevant investments).

In addition, adverse changes in the operation of any property or in the financial position of any Tenant may have a negative impact on rental payments collected by the Fund and thus on the ability of the Fund to offer dividends to investors. From time to time, a Tenant may be subject to a recession, which may influence his financial position and result in defaults in rent payments when fall due. Any Tenant may seek protection against bankruptcy or insolvency laws in force, which may result in the revocation of the lease or any other negative consequences, thereby reducing the Fund's cash distributions. No assurance can be given that the Tenants will not file for bankruptcy protection in the future, and if they do so the lease will continue to be in force.

Risks of Commercial Real Estate Market: The Fund may acquire commercial real estate assets only and if it relies on the income sources from such real estate, it may be exposed to any recession in this market. Commercial real estate is of a recurring nature and is influenced by the economic conditions in general. The worsening economic conditions adversely affect the value and liquidity of the commercial real estate assets. In addition, negative economic conditions have had, and will continue to have a material adverse impact on the level of rent yields, effective collection of rents and Tenants' ability to make payments that ultimately flow to the Fund. Until recently, commercial real estate assets were adversely affected by the global economic slowdown and post-crisis banking effects, with property values including the value of commercial real estate showing a substantial decline, even with the recent significant recovery. Property values may fall again, and this may be significant. The decline in the performance of commercial real estate markets may have a negative impact on rental levels, returns and vacancy rates. As a result, this may have a material adverse impact on the Fund's work and financial position.

Risk of Reliance on Rent Revenues: The Fund may acquire investments considering the rents collected from the Tenants. No guarantee can be given that the vacant spaces will be rented out, expired leases will be renewed or there will be an increase in rent over time. If a Tenant falls in recession or any other type of financial hardship, he may be unable to pay the rent in time or renew the lease. Some Tenants may occupy large portions of the related investments and therefore as long as the Fund's investments are concentrated in those assets, the financial position of the Fund, its operating results, cash flows and its ability to offer dividends to investors may be adversely affected by any negative circumstances affecting those key Tenants.

Third-party's Default and Credit Risk: The Fund will be subject to credit risks of the third parties with whom the Fund carries out business and therefore may incur the risks of settlement of relevant defaults. In certain circumstances, the Fund may be exposed to risks of default of other third parties, including landowners and/or property managers and/or lending banks and/or contractors. A breach by any external contracting party to settle any contractual entitlements to the Fund may result in a decrease in the Fund's income and thus affecting the returns of the unit holders.

Availability of Appropriate Investments Risks: The Fund Manager has selected some, but not all, of the Fund's investments at the date of these Terms and Conditions. Investors in the Fund will not be able to assess the economic, financial and other relevant information relating to future investments of the Fund. There can be no assurance that the Fund Manager will be able to identify investments that meet the Fund's objectives particularly in the current market environment. There is considerable competition in identifying and structuring appropriate investments for the Fund, which involves a high degree of ambiguity. Accordingly, the inability of the Fund to identify the investments that suit it can significantly affect the Fund's ability to achieve the desired returns and thereby reduce the return to investors and / or the net asset value of the Fund.

Risks of Vacancy of the Real Estate for Long Periods: When any of the real estate units becomes vacant for long periods owing to the expiry of the lease without renewal, failure of the Tenant to

legally or illegally complete the lease contract, the Tenant files for bankrupt, cancellation, non-renewal of the lease or otherwise, the Fund may suffer from a decline in returns and thus a drop in the periodic distributions to investors. As the value of a real estate depends heavily on leases, the value of the property that can be obtained from the sale of the real estate that have not been fully or partially leased for relatively long periods may diminish and consequently the potential returns to investors may diminish, which may adversely affect the Fund's investments, returns and distributions.

Risk of Selling the Property at Capital Loss: Some of the Fund-owned properties may not experience increases in their rent income over time, or the increase in rent may be lower than the fair market rate in the future. For these reasons or otherwise, the value of the property for any potential buyer may not increase over time, which may limit the Fund Manager's ability to sell such properties and if the Fund could sell them, they may be sold at a price lower than the original purchase price, which means a decrease in the monies that the Fund can use to make acquisitions of other properties, decrease in the capital return of the Fund and consequently a decrease in the value of the investment as a whole, which may negatively affect the Fund's revenues and allocations.

Underlying Assets Liquidity Risk: In general, real estate assets are relatively illiquid, which may be difficult or impossible for the Fund to sell certain real estate assets at the desired price at any given time. Also, it may be difficult for the Fund to sell the assets of its portfolio, particularly those classified as large assets and especially at times of market decline. The price of the assets may substantially reduce especially if the Fund is forced to dispose of any of its assets within a short period of time. This may reduce the value of the Units and thus adversely affect the performance of the Fund. In the event of a purchase offer of a real estate asset managed by the Fund Manager, which is equal in value to or greater than 10% of the value of the real estate portfolio, the Fund Manager may sell the assets (the asset) if he deems it in the interest of investors after completing the relevant procedures and making necessary changes. If the assets value is less than 10% of the portfolio's value, the Fund Manager may sell the assets (the asset) if he deems it in the interest of unitholders after completing necessary procedures and exceptional changes. If any of the assets of the Fund is sold, there will be an impact on the cash dividends until the Fund Manager can find new feasible real estate assets for the Fund. The Fund Manager shall ensure that the feasibility study period will not exceed 6 months. Prior to the acquisition, the Fund Manager shall complete all formalities and requirements according to the Real Estate Funds Regulations, including but not limited to, obtaining two real estate valuation reports valid for 3 months from two approved valuers and taking the average price of such valuations. Acquisition requirements include conduct of due diligence, review of the leases of the assets to be purchased, appointment of an efficient Property Manager, conduct of feasibility study of the real estate asset and other procedures. If, after 6 months, the Fund Manager is unable to find a real estate asset for acquisition, the Fund Manager will re-distribute the capital to investors proportion to investor's share in the Fund on the dividends date.

Development Risk: Though development projects will not represent a significant percentage of the Fund's investment portfolio, real estate development projects in the Kingdom face many risks. The risks involving engagement in the construction and marketing of a new real estate project include, but are not limited to: (1) delays in the timely completion of works; (2) risks of surpassing of project budgeted cost; (3) inability to attract lease agreements to forecast levels; and (4) force majeure caused by factors outside the control of the Fund and relating to the construction sector. Force majeure risks include weather conditions, bad environmental conditions and lack of building materials on the market, which hinder the completion of development projects. The initiation of a new project also involves other risks, including obtaining governmental approvals and permits for

zoning and construction, other required governmental approvals and permits and real estate development costs related to projects that have not been completed. The successful completion of such projects will have a direct and significant impact on the value of units and any failure will result in reduced distributions to investors and Fund's NAV.

Leverage Risks: Fund's assets are likely to be leveraged, which may adversely affect the income earned by the Fund or may result in a loss of principal. When the Fund uses leverage, increases and decreases in the value of the Fund's portfolio will maximize. For example, leverage may cause random changes in the value of the Fund's assets or may result in a loss that exceeds the amount of its investment. The use of leverage creates an opportunity for increased net income, but at the same time involves a high degree of financial risk and may increase the exposure of the Fund and its investments to risk factors such as rising costs of leverage and economy downturn. In addition, the assets of the Fund may be pledged to a lender and such lender may claim the assets upon any default by the Fund (as provided in the leverage documents), any special purpose vehicle, the Fund Manager or the Fund itself.

Risks of Actions Taken by Competitors: The Fund competes with landlords, operators and other property developers in Saudi Arabia and some of those may own properties similar to the properties of the Fund in the same area of the real estate. If the Fund's competitors lease residential and/or commercial units similar to the those owned by the Fund or sell assets similar to the Fund's assets at lesser value than the Fund's valuation of the comparable assets, the Fund may not succeed in leasing the commercial and residential spaces at reasonable rates or on appropriate terms, or may not succeed at all. Therefore, the Fund may incur additional costs and expenses for retaining the real estate and may be subject to lose the potential income as a result of non-occupancy of the underlying property. Accordingly, the expected income of unit holders may be adversely affected.

Risk of Inability to exit Fund's Investments on good Terms: The Fund will exit its properties and other assets at the time the Fund Manager deems it appropriate for sale. The Fund's ability to dispose of properties on favourable terms depends on factors outside the Fund's control, including competition from other vendors and the availability of funding solutions attractive to potential buyers. If the Fund is unable to dispose of its assets on the terms or time preferred by the Fund Manager to dispose of such assets, its financial position, operating results and cash flow and its ability to distribute dividends to unit holders may be adversely affected..

Risk of Inability of Tenants to Fulfil Rental Obligations: The Fund results may be adversely affected if a large number of Tenants are unable to meet their lease obligations. If a Tenant resorts to bankruptcy, insolvency or similar laws, he may terminate the lease which results in a decrease in the cash flow of the Fund. In case of a large number of defaults and/or bankruptcies by Tenants, the cash flow of the Fund as well as the ability of the Fund to make distributions to unit holders may be negatively affected.

Risk of Inability to Renew Leases or Re-lease the Space at the Expiry of the Tenancy Period: The Fund will generate most of its income from the rental payments made by the Tenants. Therefore, the financial position of the Fund, the results of its operations and cash flow as well as its ability to make distributions to investors may be adversely affected if the Fund was unable to re-lease the properties directly, renew the leases, or if the rental value upon the renewal or re-lease was much lower than expected. Upon termination of any lease, no guarantee can be given that the lease will be renewed or the Tenant will be replaced. The terms of any subsequent lease may be less useful to the Fund than the current lease. In case of default by any Tenant, the lessor may face delays or restrictions in the implementation of its rights and may incur substantial costs to protect the Fund's investments. In addition, the Fund's ability to rent the available space as well as the rental earned are affected not only by Tenants' demand but also by the number of other properties that compete with the properties of the Fund to attract Tenants.

Risk of Uninsured Losses (Inadequate Insurance Coverage): The Fund shall obtain insurance for the commercial liability, property insurance and other types of insurance coverage for all properties owned and managed by the Fund. The insurance obtained shall be by the type, limits and appropriate coverage cost that the Fund believes to be adequate and appropriate considering the relative risks associated with the property, while applying good industry practices. It is also possible to obtain insurance against certain losses such as risks resulting from terrorist acts, storms, floods or earthquakes, considering certain restrictions including large discounts or co-payments and insurance policy restrictions. Therefore, the Fund may incur substantial losses exceeding the insurance proceeds and may become unable to continue to obtain insurance coverage at reasonable commercial rates. If the Fund incurs an uninsured loss or losses beyond the insurance limits in respect of the ownership of one or more properties, the Fund is likely to lose the capital invested in the affected property and the expected proceeds of these properties. Any such loss is likely to have a negative impact on the financial position of the Fund, its operating results cash flows and therefore the ability of the Fund to provide distributions to investors.

Real Estate Valuation Risks: In addition to the valuations by two independent valutors, the Fund Manager will in many cases use internal valuations of the Fund. The valuations by the Fund Manager are to estimate the value of a property only, and not a precise estimate of the value that can be obtained if the property to be sold as such depends on the negotiation between the buyer and the seller. The final confirmation of the property market value depends largely on the economic conditions and other circumstances outside the control of the Fund and the Fund Manager, including but not limited to, the market conditions in general. In addition, the valuations do not necessarily reflect the price at which the property can be sold. The Fund's property selling prices can be determined only through negotiations between the buyer and the seller. If the Fund decides to liquidate its assets, the realized value may be more or less than the estimated value of such assets. In periods of economic fluctuation, where uncertainty is greater for value estimates and less comparable transactions against which value can be measured, the difference increases between the estimated value of a particular real estate asset and the ultimate market value of that asset. In addition, the relative uncertainty of cash flows in a distressed market could adversely affect the accuracy of the property value estimates and the negotiations between the buyer and the seller and, consequently, the ultimate returns of the unit holders.

Non-Saudi Investments and Exchange Rate Risk: The Fund may invest part of its assets outside the Kingdom of Saudi Arabia. Non-Saudi investments may include factors that are not generally related to investment in Saudi Arabia, including risks related to: (i) matters related to currency exchange; (ii) differences between the Saudi real estate market and non-Saudi real estate markets; (iii) Lack of uniform standards for accounting, auditing, financial reporting, practices, disclosure requirements, different levels of government supervision and regulation, (iv) certain economic and political risks, and (v) the possibility of non-Saudi taxes on income and gains associated with these assets. These factors may adversely affect the value of the non-Saudi investments and therefore the total value of the units.

Risks of Real Estate Safety: With respect to the safety of the real estate subject of investment, the Fund will rely on the current Property Manager (Tenant) to maintain the safety of the property and obtain necessary insurance coverage. If the current Property Manager (Tenant) is unable to maintain the integrity and maintenance of the building in a timely manner, this would impair the Fund's ability to complete or operate the real estate and thus negatively affect the Fund's performance due to the delay in the operation of the property.

Expropriation Risk: Some governmental authorities of the Kingdom have the right to dispose of real estate for the public interest (for example, construction of roads and public utilities). In theory, the compensation value for the expropriated property is suggested to be equal to the market value.

This is not guaranteed as the value of the compensation may be less than market value of the real estate at the time of expropriation or the value paid at the time of purchase. In the case of expropriation, the property is acquired on a mandatory basis after an unspecified notice period and determination of such notice period requires a special decision. Notwithstanding the payment of the compensation, there is a risk that the compensation value is inadequate comparing to the size of investment, profit lost or the increased value of the investment. In the event that the risk of expropriation is realized, the amount of distributions to unit holders, the value and tradable price of the units may decline and Unit holders may lose all or part of the capital invested.

Risk of Non-renewal of the Lease or Finding Replacement Tenant: The Fund will generate most of its income from its real estate rents and operation results. Therefore, the Fund's cash flows and ability to make distributions to investors may be negatively affected if the Fund is unable to re-lease the properties, renew the expired leases, find alternative Tenants, or if the rent rates upon renewal or re-lease are significantly lower than expected. The Fund cannot predict whether the Tenant will renew its lease term at expiry or find a replacement Tenant, in such a case, the Fund will be required to either find other Tenants(s) or sell the property.

Early Termination of the Lease: The Fund will initially be a Fund operating on the basis of leased real estate assets to a single party, Eskan for Development and Investment Company (the Tenant), under two long-term contracts for up to 15 years each. There may be factors outside the reasonable control of the parties, which may result in early termination of the lease. This may result in a total interruption or suspension of rental payments for certain period while the Fund Manager and the Tenant together decide the best way forward in managing the Fund. The occurrence of this event may result in a significant reduction in the Fund's income from the past with the possibility of capital losses

Acquisition of Initial Assets Risk: The Fund expects to accomplish acquisition of the initial real estate assets within 60 days of the closing date. Notwithstanding the legal obligation of the purchase agreements, if either party to the purchase agreements fails to comply with their obligations, the acquisition may not take place within 60 days from the closing date or at any time at all. In case acquisition is not completed, the Fund Manager will close the Fund and undertake the procedures referred to in item (1) of these Terms and Conditions.

Failure to Comply with the Applicable Regulations: The Tenant is subject to a number of governmental regulations. Failure by the Tenant to comply with any or all of these regulations and criteria may result in fines and penalties and thus significantly affect the Tenant's ability to settle rental payments. Also, it is possible that the owner of the property will incur fines or penalties as a result of the Tenant's actions.

Risk of Investments Underperformance: The Fund is exposed to the risk that its current assets, all or some of its new transactions will be unsuccessful. In addition, no guarantee can be given that future investments will be made in accordance with the Fund Manager's expectations or will be made from the outset. This may have a negative impact on the results of the Fund's operations and financial position.

Risk of Outflows and Unexpected Expenses of the Real Estate Maintenance: The Fund may be required to pay specific expenses if the Property Manager is unable to do so. Also, the Fund may be required to pay expenses (such as, real estate taxes, VAT and maintenance) to maintain the value of an investment property and avoid attachment of a property and/or transfer of a property to a new Tenant. Such expenses will reduce the returns of the Fund.

Risk of Developers and Construction: If the Fund invests in a real estate development project at a later stage of the term of the Fund, the Fund will then be exposed to several risks associated with

the ownership of specific real estate and projects. These risks, include but are not limited to, delays in construction, failure or delays in obtaining governmental approvals, lack/unavailability of raw materials, labour visas, changes in relevant laws, regulations and rules, inability to identify suitable projects and properties within a reasonable timeframe which affects the revenues; failure by developers and contractors to fulfil their obligations, non-payment of rent by Tenants, unanticipated cost overruns, and/or capital expenditure/maintenance expenses, general decline in property prices, etc. These events or risks may have negative affect on the results of the Fund's operations and financial position.

Risks of Construction Cost: If the Fund invests in real estate development project at a later stage of the term of the Fund, it will be exposed to risks arising from changes in the prices of raw materials required for the real estate projects, thus delaying the delivery date of such projects and reducing the Fund's revenues, loss or scarcity of construction materials. This will adversely affect a specific project due to the high prices of the raw materials referred to. Moreover, the rise in labour wages or the scarcity of the labour required to complete these projects would have a negative impact on the Fund's projects and financial situation.

Risks of Real Estate Operation and Management: The Fund may be required to pay specific expenses (such as, property taxes, VAT and maintenance) to maintain the value of an investment property and/or to pay marketing fees and/or commissions in case of marketing or transferring of property to a new Tenant. The Fund will rely on its Tenants or third parties to manage the real estate projects on behalf of the Fund. The current Tenant bears the costs of maintenance, taxes and value added tax (VAT).

Risks of Marketing and Selling of Real Estate: Due to the low liquidity of the real estate market, the Fund Manager may need to re-develop the properties to make them marketable or to attract buyers, which in turn will affect the Fund's income and may result in financial losses.

Credit and Counterparty Risks: The Fund will invest surplus cash in Sharia-compliant Murabaha and Mudaraba funds; although such investments are low risk, however there is a possibility of non-payment by the counterparties and financial institutions with which the Fund is dealing. This may adversely affect the financial position of the Fund.

Risk of Selling Large Quantities of Units: The sale of large numbers of the units in the financial market following the close of offering or the possibility of such a sale may adversely affect the unit price in the stock market.

Risk of Dividend Fluctuations: Although the Fund is required to distribute at least 90% of its net profits to its Unitholders at least once a year, no assurance can be given as to the actual amount of any dividends by the Fund. With the exception of the above percentage to be distributed, the Fund's announcement of any payments of distributions will be subject to the Fund Manager's recommendation and is dependent, inter alia, on the performance of the Fund, the financial position of the Fund, cash requirements and the Fund's ability to pay dividends.

Risks of Non-fulfilment or Renewal of Regulatory Licenses: The Fund may not succeed in achieving its investment objectives in the event that the regulatory licenses necessary to carry out the educational activity are not satisfied or renewed. In such a case, the Fund may not be able to proceed with the investment or development of the property, which will adversely affect the value of the units as the expected returns from development will not be harvested in time.

Risk of Long-term Leases: The Fund will conclude long-term leases with the Tenants for periods of more than 10 years. Such leases may or may not include rental increase. This risk also includes potential increase in the real estate operational costs, inflation rates, exchange rate fluctuations or

increase in real estate prices with the stability of rent payments, which will result in reduced returns from rents. In addition, given the duration of the lease, the Fund may not be able to re-negotiate the lease to reflect the above changes until its expiry which will result in a decrease in the Fund's revenues below the returns available in the market. This may also result in decline in the original asset price and the Fund's unit price.

Risk of Taxation/Value Added Tax (VAT) on Real Estate: The government may levy VAT on the Fund-held properties, which will result in a change in the property prices or increase the costs incurred by the Fund, which will significantly affect the returns of the Fund. In addition, given the nature of the long-term leases, the Fund may not be able to transfer the impact of these costs to Tenants.

Risks of Lease that Includes Full Insurance and Repair Obligations: The initial properties are leased under considerably equal leases to the so-called leases that include full insurance and repair obligations, under which the Tenant incurs all maintenance costs, services and insurance with the obligation to pay taxes, value added (VAT) and charges directly related to the relevant property.

Although the contracts are approved by the Fund Sharia Board, however they do not guarantee that the competent courts in the Kingdom decide that the provisions of the lease or other related contracts are Sharia-compliant contracts and thus can be implemented in the Kingdom as drafted, particularly with respect to provisions requiring the Tenant to undertake the constructional repairs and to pay taxes, VAT and fees for the initial property. If the court decides that this arrangement is not compliant with Sharia, the expenses incurred by the Fund may increase substantially, which may have a material negative impact on the Fund and its financial position, and may result in low distributions to unit holders with a decline in the unit price.

Risk of Hotel Sector: The Fund's performance is influenced by factors affecting the hotel sector in general. These factors may include demand levels related-factors, including any economic downturn, any outbreak of disease, epidemics, quarantine restrictions, public health-related restrictions, laws or regulations (including those related to taxes, duties, value added tax (VAT), disruption of local, national or international transport and communications services, restriction, risk or any similar situation, or supply level factors including increased supply of hotels either in general or in a certain sector or place such as hotels located in a certain location in Makkah, Madinah, in any city within or outside the Kingdom or in a particular class of hotels. The hotel sector is periodic, and the macroeconomic and other factors may have a negative impact on employment and personal spending leading to lower occupancy rates and room prices, which affects the total real estate value in the hotel sector. Thus, the Fund may need to exit assets for less than the acquisition cost, resulting in a capital loss and that the Fund may not be able to achieve target returns.

Seasonal and other Risks Associated with the Hotel Industry in Makkah and Madinah: The seasonal nature of the hotel sector in Makkah and Madinah may have a negative impact on the initial real estate assets and on any real estate acquired in the future and used in the hospitality sector. The hotel sector is seasonal that generally achieves the highest occupancy rates during Hajj and Umrah seasons. This seasonal nature is expected to cause periodic fluctuations in room revenues, prices, occupancy rates and operating expenses. The Fund cannot give any assurance that cash flows will be sufficient to offset any decline that may occur as a result of these fluctuations. Therefore, the fluctuation in the financial performance resulting from the seasonal nature of the hotel sector may have a material negative impact on the financial position of the Fund, its cash flows and operating results, and thus the cash distributions as well as the value of the units. In addition, however the Kingdom and the Saudi General Authority for Tourism and National Heritage are currently exerting considerable efforts to promote tourism, the negative change in the issuance of work, Hajj and Umrah visas may affect the tourism market in the Kingdom, including the Fund's investments.

3) Other Risk Factors:

Legal Status: The Fund is a contractual arrangement between the Unitholders and the Fund Manager. Such contractual arrangement is approved, governed, and supervised by the CMA. The Fund does not have its own legal personality, as such, the extent to which a Saudi government Authority or a Saudi court would uphold the distinction between the legal status of the Fund and that of the Fund Manager is unclear and to the best of our best knowledge untested.

Legal, Tax and Regulatory Risks: The information herein is based on the existing and declared legislation. There may be legal, tax, regulatory or other changes in the Kingdom during the term of the Fund, which may have a negative impact on the Fund or its investments. The Fund's ability to resort to legal ways in the event of conflict may be limited. The Fund may have recourse to the courts in Saudi Arabia in pursuit of remedies. The process of implementing rental and other contracts through the judicial system in the Kingdom is a long and difficult process and its results are unpredictable. Additionally, governmental, authorities and departments of the Kingdom, such as the Notary Public, exercise a great deal of powers and discretion with regards to the application of existing legislation. Any changes to existing legislation or failure by governmental departments to apply such legislation may adversely affect the Fund. Currently, there are no taxes or value added tax (VAT) on the Funds regulated by the CMA within Saudi Arabia, and local tax authorities reserve the right to estimate zakat tax on all unit holders.

VAT Risk: An investment in the Fund involves varying tax risks, some of which apply to an investment in the Fund itself and others that apply to particular facts and circumstances that may or may not be relevant to a particular investor. The incurrence of any such tax and VAT by the Fund would reduce the amount of cash available for the Fund's operations as well as potential distributions to Unitholders. Taxes or VAT incurred by Unitholders would necessarily reduce the returns associated with an investment in the Fund. Prospective investors should consult their own tax advisors regarding the tax and VAT implications of investing, holding and disposing of Units.

Income Tax Risk: An investment in the Fund involves varying tax risks, some of which applies to investing in the Fund itself and others apply to certain circumstances that might be related to a certain investor and it might not be. Incurring similar taxes and the added value tax (VAT) by the fund would lead to decreasing the cash amount that is available for the Fund operations rather than decreasing potential distributions to investors. Taxes and value added tax (VAT) that are incurred by the investor will lead to decreasing the returns related to investing in the Fund. Potential investors should consult their tax advisors about investing, owning and selling units' taxes and value added tax (VAT) implications.

Risk of Governmental and Municipal Approvals: The Fund may not succeed in achieving its investment objectives in the event of rejection of issuance of any required municipal approval or consent or such approval has been granted on unacceptable terms. In such a case, the Fund may not be able to complete the investment or development of real estate projects.

Force Majeure Risk: During the periods of project development, the Fund may be exposed to "force majeure" risks, particularly the events beyond the reasonable control of the Fund Manager, such as acts of God, fires, floods, wars, terrorist acts, earthquakes, strikes, government orders or decisions. These events may cause delays or may reduce the value of the Fund's investments.

Saudization: The Saudi Arabian government may require the employment of a high percentage of citizens of the Kingdom in the development of the real estate sector. It is unclear at this point to what extent the Fund and its investments will be required to implement Saudization policies or percentage greater than the current percentage. Saudization may require the hiring of additional

employees, additional training and other costs which would entail higher operating costs than originally anticipated.

Third-Party Litigation: The Fund's activities expose it to the risk of engaging in litigation with others. The Fund will incur defense fees against third party claims and settlement or judgments amounts, which would reduce the Fund's assets and cash available for distribution to unit holders. The Fund Manager and others are entitled to compensation from the Fund in respect of such litigation in accordance with certain restrictions.

Liability and Indemnification: The Terms & Conditions define the circumstances under which Fund Manager, its members, partners, shareholders, managers; officers, employees, agents, affiliates and the members of the Credit Committee will be held liable to the Fund. As a result, the investor has the right to act in certain cases be limited compared to the cases where such conditions are not provided for. In addition, the Terms & Conditions provide that the Fund will indemnify the Fund Manager, its officers, directors, employees, affiliates and the members of the Credit Committee for certain claims, losses, damages and expenses arising from their activities on behalf of the Fund. Such indemnification could materially impact the returns to Unitholders.

In-kind Distributions Risk: Subject to compliance with regulatory requirements, the Fund may make in-kind distributions of real estate or shares in other companies in the context of the Fund's dissolution. In the case of in-kind distribution, unit holders may receive shares in any asset or company that is likely to be frozen and may therefore be difficult to realize. As a result, unit holders may jointly hold property or shares in a company distributed in kind. The in-kind distribution of any assets may create costs and administrative burdens that investors would not have borne if the Fund had made cash distributions.

Conflict of Interest Risk: A conflict of interest may arise between the interests of the Fund Manager or related parties and the interests of the Fund's investors during the management of the Fund. In the event of any potential conflict of interest, the Fund Manager shall disclose such conflict to the Fund Board of Directors to decide thereon in accordance with item (m-4) of the Fund's Terms and Conditions. The Fund Manager has already disclosed the current conflicts of interest per item (s.4) of these Terms and Conditions.

Risk of Volatility of the Above Distributions: The above-mentioned risks are not an explanation or full summary of all risk factors involving investment in the Fund's units. Potential investors are strongly advised to seek independent advice from their respective advisors.

Forward-Looking Statements: These Terms & Conditions may contain forward-looking statements relating to future events or the future performance of the Fund. In some cases, forward-looking statements can be identified by terminology such as “anticipate,” “believe,” “continue,” “estimate,” “expect,” “intend,” “may,” “plan,” “projects,” “should,” “will,” the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, prospective investors should specifically consider various factors, including the risks outlined herein. These factors may cause actual events or results to differ materially from any forward-looking statement. The Fund Manager assumes no responsibility for updating any future statements after the date of these Terms and Conditions in order to match these statements with actual results or changes in expectations.

Risks of Contracting with Eskan for Development and Investment (as Property Manager and Tenant): In the event of a default in making the rental payment during the tenancy period, the Fund Manager shall negotiate with the Tenant according to the lease agreement and if the Tenant fails to pay, the Fund Manager will submit the Promissory Note to the competent execution authorities pursuant to the Regulations in force in the Kingdom of Saudi Arabia to collect the amount due. If

either party terminates the lease after the initial 5-year period, Eskan Co. undertakes to hand over the property in the same condition as when received without any damage or defect including but not limited to, supplies, fixtures, furniture and tools; and therefore Eskan shall, irrevocably and unconditionally implement the management, maintenance and marketing works. To avoid any doubt, the implementation of the management, maintenance and marketing contract will be restricted to the period following the termination of the lease up to a maximum 5 years of the expiry date of the initial term. This requirement shall be binding only on Eskan Co. and not SICO Capital or the Fund that has the right to appoint a third party to carry out management, maintenance and marketing after the lease is terminated by either party. The parties understand that the management, maintenance and marketing contract has no connection with the lease contract. The management, maintenance and marketing contract shall survive the initial irrevocable years. In case Eskan terminates the lease in either of the above situations, distributions may be affected.

(i) Subscription

| Offering Period | 5 business days |
|--|---|
| Subscription Period | From 01/11/2017 to 07/11/2017 |
| Subscription Period Extension | 30 calendar days from 08/11/2017 to 07/12/2017 |
| Refund of surplus cash to subscribers after the close of offering period | 5 working days after allocation |
| Refund of surplus to subscribers if target amount is not raised | 5 working days after the initial offering period and any extension thereof. |
| Allocation Period | 10 working days after the close of offering |
| Minimum Subscription | SAR 10,000 |
| Maximum Subscription | SR 28,600,000 |
| <ul style="list-style-type: none"> - Completion of acquisition of real estate assets - Signing the sale and purchase agreement - Transfer of ownership to the Fund - Signing the lease agreement | During 60 calendar days from the close of the allocation period |
| Starting trading of the Fund's units in the Saudi Stock Exchange | Within 30 calendar days from the signing of the sale and purchase agreement, and the Fund's units will not be listed before the transfer of ownership in full to the Fund |

1) Public Offering

The Fund offers (57,240,000) units at a subscription price of SR10 per unit to raise SR (572,400,000), distributed as follows:

1. Maximum 70% in-kind shares equal to SR 400,680,000 equivalent to 40,068,000 units.
2. Minimum 30% public offering equal to SR 171,720,000, equivalent to 17,172,000 units. The units will be offered through public offering in accordance with the Real Estate Investment Funds Instructions and the Real Estate Investment Funds Regulations during the Offering Period commencing on 01/11/2017 and continuing until [07/11/2017] ("Closing Date") (this period is referred to as the "Offering Period"). During the subscription period, the units will be offered at SR10 per unit.

In case the subscription amount exceeds SR 171,120,000, the Fund Manager shall raise the

minimum public offering limit equivalent to the increase in subscriptions by higher than 30% and reduce the maximum limit of the in-kind subscriptions to Fund.

Mechanism of subscription to SICO Saudi Fund

First step – subscription to the Fund:

General conditions for participating in the Fund:

1. Valid ID.
2. Availability of an active investment portfolio with the licensed person.
3. An IBAN number registered in the name of the investor wishing to subscribe to the Fund. The investor shall transfer his subscription amount from such account and surplus will be refunded to the same following the allocation.
4. Submission of complete subscription documents (signed Terms and Conditions + completed and signed subscription form + copy of the bank transfer slip + copy of the ID signed by the investor).

To attach the following documents per investor's category:

The documents required from all investors:

- Copy of the bank transfer issued by a bank in the name of the investor, showing the total amount of subscription and subscription fees, if the application is submitted through SICO Capital.
- Signed copy of the Terms and Conditions.
- Subscription form fully signed and packed.

Required Documents - Individuals:

- National ID for Saudis.

Documents Required - Minors

- Separate bank transfer for each minor from the same bank account of the minor's trustee if there is no bank account or portfolio for the minor.

Attach the following documents:

- Copy of the national ID of Saudi minors of 15 to 18 years old or a copy of the family civil status book for those less than 15 years old.
- Copy of valid national ID of the trustee.

Required documents for companies:

- Stamped copy of the company's commercial registration.
- Stamped copy of the company's Articles of Association and Memorandum of Association.
- Copy of the license of the Fund Manager.
- Copy of the Fund's Terms and Conditions.
- Copy of the Capital Market Authority's approval of the Fund.
- Stamped copy of the ID of the authorized signatory of the company.

Required documents for investment funds:

- Stamped copy of the commercial register of the Fund Manager's company.
- Stamped copy of the Articles of Association and Memorandum of Association of the Fund Manager's company.
- Copy of the license of the Fund Manager.

- Copy of the Fund's Terms and Conditions.
- Copy of the Capital Market Authority's approval of the Fund.
- Stamped copy of the ID of the authorized signatory of company, signed by the Signatory.

Required documents for investment portfolio:

- Copy of the ID of the portfolio holder.
- Stamped copy of the commercial register of the Portfolio Manager's Company.
- Stamped copy of the Articles of Association and Memorandum of Association of the Portfolio Manager's Company.
- Copy of the license of the Portfolio Manager.
- Copy of the Investment Portfolio Management Agreement.
- Stamped copy of the ID of the authorized signatory of company, signed by the Signatory.

Mechanism of subscription to the Fund through SICO Capital Company:

Step 1: Obtaining the Terms and Conditions

Interested investors may obtain a copy of the Terms and Conditions by visiting the Fund Manager's website ("Fund Manager") (www.sicocapital.com.sa) or CMA's website (www.cma.org.sa) or that of Saudi Stock Exchange ("Tadawul") (www.tadawul.com.sa), or by visiting the company's headquarters.

Investors wishing to subscribe to the Fund must review and sign the Terms and Conditions of the Fund and retain them for presentation to the Fund Manager in a later step.

Step 2: Bank Transfer

The total amount to be subscribed shall be a minimum of SR 10,000 and a maximum of SAR 28,600,000, plus a subscription fee of 2% of the subscription amount to be transferred to the following account during the Subscription Period:

Bank Name: Bank Muscat
 Account Name: Al Masha'ar REIT
 Account number: 00100600063079
 IBAN Number: SA5876000000100600063079

For example, if the investor wishes to subscribe a minimum of SR 10,000, he must transfer SR 10,200, SR10,000 as subscription plus SR 200 as a fee.

The investor will keep the wire transfer receipt to be presented to the Fund Manager in a later step.

Step 3: Fill in the Subscription Form

The investor can obtain the Subscription Application Form by visiting the company's website www.sicocapital.com.sa or the company's headquarters. The investor must complete the Subscription Application Form and sign it or submit it electronically with his approval when using the online subscription mechanism.

The investor shall then send all the required documents listed in steps 1, 2 and 3 in paper form to the company's headquarters or using the company's electronic subscription through its website.

No subscription application or bank transfer will be accepted after the last working day of the subscription days. The investor will not be able to modify the data of the Subscription Application

Form after sending or delivering it. The investor can cancel his subscription and submit a new application, but cannot cancel the same after being approved and confirmed.

In all cases, investors of all categories must ensure completion and delivery of the subscription application and relevant documentation or upload them via the website of the Fund Manager.

Step 4: Confirmation of the Receipt of Subscription.

In the event of an electronic subscription, the Fund Manager will send a confirmation of receipt of the subscription application to the client by e-mail or by text message to the client's mobile number provided in the electronic subscription application.

In case of subscription by submitting the documents to the company's headquarters, the recipient of the Subscription Documents will provide the investor with a written confirmation of subscription.

Accepting the application does not mean a confirmation of acceptance of the same.

Step 5: Acceptance of the Application.

The application will be reviewed within three business days. If the application does not satisfy all the requirements or notes, the client will be notified by e-mail or by text message to the client's mobile number provided in the electronic subscription application to complete the requirements within one working day of the subscriber's notification. If the application is complete, the investor will then be notified of the acceptance of the application.

Step 6: Allocation Notice

Following the closing of the subscription period and allocation of units to investors according to the allocation process which shall be completed within ten business days, notification of CMA of the close of subscription, announcement of the offering final results and allocation of units shall be announced through the Fund Manager's website.

Step 7: Refund of Surplus and Listing

After five working days and any extension thereof of the announcement of the final allocation of units, surplus cash shall be refunded to subscribers without any discount except the value of the units allocated and the subscription fees. Units allocated to the investment portfolios of the participants shall then be listed on the Saudi Stock Exchange "Tadawul" through the licensed brokerage company.

Subscription through other Recipients:

Through Al-Inma Bank:

The investor may subscribe to the Fund provided he has a bank account with Al-inma Bank and an active investment portfolio with any person licensed by the Capital Market Authority. The investor will participate through Al-Inma Bank's electronic channels after agreeing to the Terms and Conditions or through the Bank's branches after submitting a signed copy of the Terms and Conditions.

- A current account in the name of the Principal Subscriber with Al-Inma Bank (in case of no

- account, a current account must be opened with Al-Inma Bank).
- An investment portfolio in the name of the Principal Subscriber with any of the persons authorized by the CMA.
 - To read and agree to the Terms and Conditions of the Fund through the website of the receiving bank, www.alinma.com
 - Submit an application form (subscription) to the Fund as of the beginning of the subscription period, via website www.alinma.com through the subscription page of "SICO Saudi Fund" and fill out the subscription form during the daily business hours of the period specified.
 - In case of online subscription through the website, no need for the national ID if the subscription is individual or the family civil status book if the subscription includes the dependents.
 - In case of subscribing through the bank's branches, copy of the national ID must be attached if the participation is individual or family civil status book if the participation (subscription) includes the dependents.
 - The client will not be able to modify the data provided in the subscription form after it has been filled out but can cancel the subscription by contacting the receiving bank before the expiry of the subscription period the maximum before 5 pm. The minimum subscription amount to the Fund is SR 10,000 in addition to the subscription fee of 2% of the subscription amount.

Through Riyad Bank:

The investor may subscribe to the Fund provided he has a bank account with Riyad Bank and an active investment portfolio with any person licensed by the Capital Market Authority. The investor will participate through Riyad Bank's electronic channels after agreeing to the Terms and Conditions or through the Bank's branches after submitting a signed copy of the Terms and Conditions.

- A current account in the name of the Principal Subscriber at Riyad Bank (in the absence of an account, a current account must be opened with Riyad Bank).
- An investment portfolio in the name of the Principal Subscriber with any of the persons authorized by the CMA.
- To access and agree to the Terms and Conditions of the Fund through the website of the receiving bank www.riyadbank.com.
- Submit an application form (subscription) to the Fund as of the beginning of the subscription period via website www.riyadbank.com through the subscription page of "SICO Saudi Fund" and fill out the subscription form during the daily business hours of the period specified.
- If subscription is made through the website, no need for the national ID if the subscription is individual or family civil status book if the subscription includes the dependents.
- If subscription is made through the bank's branches, copy of the national ID must be attached

if the subscription is individual or family civil status book if the participation (subscription) includes the dependents.

- The client will not be able to modify the data provided in the subscription form after it has been completed but can cancel the subscription by contacting the receiving bank before the close of subscription period, maximum before 5 pm. The minimum subscription amount to the Fund is SR 10,000 in addition to the subscription fee of 2% of the subscription amount.

Through SAMBA Group:

The investor may subscribe to the Fund provided that he has an account with SAMBA Bank and an active investment portfolio with any person licensed by the Capital Market Authority. The Investor will participate through SAMBA Bank's electronic channels after agreeing to the Terms and Conditions or through the Bank's branches after submitting a signed copy of the Terms and Conditions.

- A current account in the name of the Principal Subscriber at SAMBA Bank (in the absence of an account, a current account must be opened with SAMBA Bank).
- An investment portfolio in the name of the Principal Subscriber with any of the persons authorized by the CMA.
- To access and agree to the Terms and Conditions of the Fund through the website of the receiving bank www.samba.com,
- Submit an application form (subscription) to the Fund as of the beginning of the subscription period via the website www.samba.com through the subscription page of "SICO Saudi Fund" and fill out the subscription form during the daily business hours of the period specified.
- If subscription is made through the website, no need for the national ID if the subscription is individual or family civil status book if the subscription includes the dependents.
- If subscription is made through the bank's branches, copy of the national ID must be attached if the participation is individual or family civil status book if the subscription includes the dependents.
- The client will not be able to modify the data contained in the subscription form after it has been filled out but can cancel the subscription by contacting the receiving bank before the expiry of the subscription period the maximum before 5 pm. The minimum subscription amount to the Fund is SR 10,000 in addition to the subscription fee of 2% of the subscription amount.

Important Notes:

- The customer must verify the accuracy of the provided data and the documents. SICO Capital Company shall not be liable for any errors in such data.
- The customer must ensure that the value stated in the subscription application matches the bank transfer amount. The application will be rejected if there are any discrepancies in the amount.
- Any amount transferred from a non-registered account will be rejected/denied. The bank account must be in the name of the client.
- Any participation will be rejected / denied if submitted to more than one recipient.
- Any subscription will be rejected / denied if submitted for the same recipient through

more than a receiving channel.

- If you have any questions, please call us on 800 11 801 800 or e-mail info@sicocapital.com

2) **Cancellation and Refund of Amounts**

The subscription may be canceled and all Subscription Amounts will be refunded to investors in the following cases (unless the Capital Market Authority decides otherwise):

- Inability to raise cash subscriptions of SR 171,720,000 after the closing or extension of the offering period subject to the approval of the CMA; or
- If the number of unit holders is less than 50;
- Subscription is less than 30% of units for unit holders of the public;
- The CMA did not approve listing of units for any reason.
- Non-transfer of ownership of assets to the Fund's name.

In case of cancellation of the offering, all subscription and subscription fees will be refunded to investors within 10 working days of cancellation.

The ownership of the property will not be transferred to the Fund in full if the amount to be raised is not collected.

3) **Allocation of Units**

The Fund Manager shall notify each investor within 10 working days of the closing date of the offering period of the acceptance or rejection of the subscription application, in whole or in part. If the subscription is accepted, confirmations shall be sent to the unit holders upon the close of allocation. If the subscription amount of the investor is rejected (in whole or in part), the unacceptable portion of the subscription amount and relevant subscription fees will be refunded to the Investor's Investment Account as described in the Subscription Form within 10 working days of the Closing Date (without any deduction of bank charges, transfer fees or currency exchange charges incurred).

Subject to the completion of the registration and listing requirements as set out below, units shall be allocated after the closing date as follows:

- If the total amount subscribed by all investors is equal to or exceeds the amount to be collected, which is SR171,720,000, the total units will be allocated as follows:
 - 1,000 investment units shall be allocated to each investor.
 - In case of surplus, the remaining units are allocated on a pro rata basis.
 - If the number of subscribers is more than 17,172, the Fund Manager will raise the minimum public offering in case the increase in subscriptions exceeds 30% and reduce the maximum limit of the Fund's in-kind shares.
 - In case the initial subscription amount exceeds SR 171,120,000, the Fund Manager shall raise the minimum public offering limit equivalent to the increase in subscriptions by higher than 30% and reduce the maximum limit of the in-kind subscriptions to Fund.

4) **Eligible Investors**

Subscription to units is available to the following categories: (a) Saudi natural persons, (b)

institutions, companies, investment funds and other legal entities wholly owned by Saudi nationals only.

The Fund Manager shall reject, in whole or in part, the subscription of any investor in the Fund if such subscription is in violation of these Terms and Conditions, the Real Estate Investment Funds Regulations, the Real Estate Investment Funds Instructions or any other regulations enforced from time to time by the Capital Market Authority or any other regulatory body. In addition, the subscription of any investor will be rejected if the subscription amount is not credited to the subscription account during the subscription period.

The Fund Manager shall take all actions that may be necessary to ensure at all times:

- (a) The Fund includes a number of unit holders not less than 50 investors;
- (b) At least 30% of the unit holders are of the public.

The Fund Manager is authorized to take all necessary actions to ensure compliance with paragraphs (a) and (b) above, as long as they are required by the CMA.

5) Minimum Subscription

During the Offering Period, investors shall subscribe to a minimum of 1,000 units at SR 10 per unit and total subscription amount of not less than SR 10,000.

6) Maximum Subscription

The maximum subscription is SR 28,600,000 (2,860,000 units).

7) Registration and Listing

The units will be registered and listed on the Saudi Stock Exchange ("Tadawul") as soon as possible after the closing date, provided that:

- (a) The minimum cash subscription is realized by the offering of SR171,720,000;
- (b) The number of unit holders shall not be less than 50 and shall hold at least 30% of the total units of the Fund
- (c) Meeting any other regulatory requirements determined by the Capital Market Authority.

8) Fund Account

The Fund Manager will open a separate bank account (or more) with one or more local banks in the name of the Fund (and/or Special Purpose Vehicle) and all the proceeds of investors' subscriptions and the Fund's income will be deposited into such account. The receivables and expenses due in respect of the operation and management of the Fund will be withdrawn from this account.

9) Capital Increase

If the Fund Manager decides that the Fund needs capital increase, the Fund may increase the total value of subscriptions by issuing tradable rights as applicable in the case of listed companies in accordance with the applicable procedures and requirements for registration and listing rules. In such a case, the Fund's unit holders shall have the right to subscribe to any additional units. To avoid debut, the total target value of the Fund could be increased through in-kind subscriptions. In any subsequent offerings or increases in capital, units in the Fund are issued on the basis of the Fund's net asset value per unit according to the latest valuation.

(J) Fees, service charges, commissions and management fees

The following is a summary of the fees, charges, commissions and management fees payable by the Fund.

1) Fees and Charges:

| # | Type of Fees | Percentage | Payable Amount | Calculation Method | Fee Payment Frequency |
|---|-----------------------------------|------------|--|--|-----------------------|
| 1 | Subscription fees | %2 | N/A | Calculated from subscription amount | One-time payment |
| 2 | Structuring fees | %0.25 | N/A | Calculated from Fund's Total Value | One-time payment |
| 3 | Securities Depository Center Fees | N/A | SR 50,000 in addition to SR2.00 per holder of the Fund units and a maximum of SR 500,000 | Calculated from Total net subscription amounts | One-time payment |
| 4 | Securities Depository Center Fees | N/A | <p>Paid annually according to the Fund market value as follows:</p> <ul style="list-style-type: none"> ➤ From SR 0 to 100 million, payable SR180 thousand. ➤ From SR 100 million to 200 million, payable SR 220 thousand. ➤ From SR200 million to DR500 million, payable SR300 thousand. ➤ From SR 500 million to SR 2 billion, payable 400 thousand. ➤ From SR 2 billion to SR 5 billion, payable 500 thousand ➤ From SR 5 billion to SR 10 billion, payable 600 thousand ➤ More than SR 10 billion payable 700 thousand | Calculated daily | Annually |
| 5 | Tadawul Listing Fee | N/A | Initial listing fee SR 50,000 | | One-time payment |
| 6 | Tadawul Listing Fee | %0.03 | Not less than SR 50,000 and no more than SR300,000 | Calculated daily from the Fund's market value | Annually |

| | | | | | |
|----|---|-----------------------------------|--------|---|---------------------------|
| 7 | Tadawul Fee | %1.5 | N/A | Calculated daily from Finance Amount, if any | One-time payment |
| 8 | Closed Real Estate Fund Fees | 1% of the Fund's NAV | N/A | Calculated daily after deduction of fixed expenses | Deducted quarterly |
| 9 | Management Fees | %0.05 of the Fund's NAV | N/A | Calculated daily after deduction of fixed expenses | Deducted quarterly |
| 10 | Custodian fees | %0.03 Of the Fund's NAV | N/A | Calculated daily after deduction of fixed expenses | Deducted quarterly |
| 11 | Remuneration of Sharia Board | N/A | 37,500 | Calculated daily | Deducted quarterly |
| 12 | Initial listing fees | N/A | 50,000 | Calculated daily | Deducted quarterly |
| 13 | Remuneration of Board Independent Members | N/A | 20,000 | Calculated daily | Deducted Annually |
| 14 | Auditor's fees | N/A | 18,000 | Calculated daily | Deducted Annually |
| 15 | Control fees | N/A | 7,500 | Calculated daily | Deducted Annually |
| 16 | Tadawul fees | N/A | 5,000 | Calculated daily | Deducted Daily |
| 17 | Other expenses | 0.03% of the Fund net asset value | N/A | Calculated on a daily basis after deduction of management, Custodian, Board of Directors, Sharia Board, Auditor, registration and listing in Tadawul fees | Deducted quarterly |
| 18 | Performance Fees | 20% calculated higher than 8% | N/A | The purchase of the property shall be calculated with the | Deducted upon sale of the |

| | | | | | |
|----|--|---|-----|---|----------|
| | | of the net return of the sale of the property | | fees, if any, plus all the expenses resulting from the acquisition of the property including valuation, feasibility study, development or renovation of the property minus the proceeds distributed throughout the life of the property less the minus the price of the property. | property |
| 19 | Management, maintenance and marketing fees | N/A | N/A | Such fees shall not be incurred by the Fund except in the case of leasing the towers to a non-Eskan Co. Tenant | |

The Fund Manager confirms that the schedule of fees provided in the above table shall cover all the fees payable by the Fund and that the Fund Manager shall bear any fee not included in the Schedule.

b. Fund Fees and Charges

(A) One-time charges

• **Subscription Fee**

Each unit holder subscribing to the Fund shall, at the time of the offering, pay a one-time subscription fee of 2% of the amount of each investor's subscription payable upon the purchase of Units ("Subscription Fees"). The subscription fee is paid before the closing date for investor's subscription to be effective. To avoid doubt, subscription fees are paid for the actual units allocated in addition to the subscription amount.

• **Capital Structuring Fee:**

The Fund pays the Fund Manager a one-time 0.25% fee for capital structuring from the total amount of subscriptions collected in the initial offering and deducted from the Fund's income in the first year. In the event that any other subscription is collected, whether cash through rights issue (or in kind), capital structuring fee shall be 1.5% of the total amount of subscription and is payable immediately after the closing of any capital raising. This includes, but is not limited to, the fees for purchase of new real estate asset, valuator fees, feasibility study, technical inspection of the property, conduct of due diligence study including of sukuk, leases, and necessary permits such as municipal and civil defense permits, any such governmental permits, lawyers' fees and any other expenses related to the new property with the exception of dealing fees. For further information please read paragraph (i) of these Terms and Conditions.

• **Finance Structuring Fees**

in return for his efforts in structuring and obtaining financing to the Fund, The Fund shall pay the Fund Manager 1.5% a fee of each amount obtained as a loan by the Fund Manager for the Fund or any Special Purpose Vehicle during the term of the Fund ("Financing Arrangement Fees"). These charges are payable immediately upon completion of any financing deals.

(B) Periodic Charges

• **Management Fees**

For the management of the Fund's assets and payment of all the Fund's general expenses, including the remuneration of its employees and the costs of its facilities, the Fund shall pay the Fund Manager annual management fees ("**Management Fees**") of 1% of the net assets of the Fund.

The management fees are calculated on a daily basis throughout the Fund's term and are paid from the Fund's assets at the end of each quarter. The first payment of the management fees is payable on a pro rata basis, taking into account the days lapsed from the calendar year. If the Fund does not have sufficient cash to pay the management fees on time, payment such fees will be deferred until adequate cash is available to the Fund.

• **Custody Fees**

The Fund shall pay the Custodian an annual amount of SAR 175,000.00. Custody Fees are calculated on a daily basis and paid from the Fund's assets at the end of each quarter in the amount of SAR 43,750.00.

The Custodian shall be entitled to the above fees in accordance with the agreement signed between the Fund Manager and the Custodian in respect of the services provided by the Custodian to hold the Fund's assets, including the establishment of one or more Special Purpose Vehicle.

- **Administrator Fees**

The Fund shall pay the Fund's Administrator administrative fees to meet the direct expenses related to the Fund operation, including, but not limited to, the actual costs related to the preparation of publications, reports and notices to the investors, printing of such publications, reports and notices and distributing them to the investors; remunerations of the Fund's Board of Directors, regulator, external auditors, valuator's fees and any other parties providing services, and extraordinary expenses and other such as liquidation expenses. The maximum amount of the above fees shall be 0.05% per annum of the Fund's net assets.

- **Auditor's Fees**

The Fund pays the Fund's Auditor SR 18,000 as fees per annum.

- **Evaluation Fees**

The Fund will evaluate the Fund at least every six months by two independent valuers who shall be key members of the Saudi Authority for Accredited Valuers. The estimated fees of the two valuers are SR 60,000 per annum.

- **Fund Board Fees**

The Fund shall pay the fees of the independent members of the Fund Board of Directors at a sum of SR 5,000 for each meeting payable to each of the two independent members of the Board up to a maximum of SR 20,000 per annum for all independent members.

- **Sharia Board Fees**

The Fund pays the Sharia Board SR 18,750 as a fee per annum,

- **Securities Depository Center Fees**

The Fund is expected to pay the following fees for registration in the Saudi Stock Exchange (Tadawul):

- SR 50,000 plus SR 2 per unit holder up to a maximum of SR 500,000 payable to Tadawul for creating a register for unit holders (one-time payment); and
- Paid annually according to the Fund market value as follows:
 - SR 0 - 100 million, the Fund pays SR180 thousand
 - SR 100 - 200 million, the Fund pays SR 220 thousand
 - SR 200 - 500 million, the Fund pays SR 300 thousand
 - SR 500 million to 2 billion, the Fund pays SR 400 thousand
 - SR 2 - 5 billion, the Fund pays SR500 thousand
 - SR 5 - 10 billion, the Fund pays SR 600 thousand

- More than 10 billion, the Fund pays SR 700 thousand
- The fees mentioned above are subject to change as determined by Tadawul.

- **Listing in Tadawul Fees**

The Fund is expected to pay the following listing fees:

- SR 50,000 initial listing fees (one-time payment);
- 0.03% of the Fund market value per annum (minimum SR 50,000 and maximum SR 300,000).

The fees mentioned above are subject to change as determined by Tadawul.

b. Fund Real Estate Asset Fees and Charges:

- **Developer's fees**

The Fund Manager may appoint developers from time to time in connection with the development projects. Any development fees paid by the Fund to any developer appointed by the Fund Manager on a purely commercial and independent basis shall be negotiated.

- **Dealing Fees**

The Fund shall pay the Fund Manager a dealing fee of 2.5% of the purchase price of each asset purchased by the Fund for the assets that the Fund may acquire in the future. This is in return for the Fund Manager conducting the necessary investigation and negotiation of the terms of purchase and completion of the transaction. This fee is payable after completion of the purchase of each asset. For the current assets Towers 4, 5 and 6, the Fund Manager or any other parties will not get any dealing fees.

- **Performance Fees**

Upon exit from any asset, the Fund Manager shall receive a performance fee of 20% for that asset from the surplus return after deducting the Internal Return Rate of 8% of the value of the real estate, the dealing fees and all charges relating to the property, (Net real estate income).

As shown in the table:

| | |
|--|--|
| When selling the asset after deducting the internal rate of return of 8% of the value of the real estate, the dealing fees and all fees related to the property less the cash dividends (net income of the real estate asset). | Fee rate |
| Less than 8% IRR | Zero |
| Higher than 8% internal rate of return (XIRR) | 20% of the above than 8% of internal return rate |

- **Management, Maintenance and Marketing Fees**

The Fund shall pay the Property Manager an annual fee for the ("**Management, Maintenance and Marketing Contract**"). As to Eskan Tower 4, no fees will be paid to the Property Manager (Eskan for Development and Investment) during the first five

years of the Lease and Property Management Contract. In respect of Eskan Tower 5, no fees will be paid to the Property Manager (Eskan for Development and Investment) during the first four years of the leasing contract Lease and Property Management Contract. As for Tower 6, no fees will be paid to the Property Manager (Eskan for Development and Investment) during the first five years of the Lease and Property Management Contract. In the case of extension of the contract with Eskan for Development and Investment, the rent will be increased by 10% for all towers. If either party terminates the lease after the initial 5-year period, Eskan Co. undertakes to hand over the property in the same condition as when received (without any damage or defect including but not limited to, supplies, fixtures, furniture and tools); and thus Eskan shall, irrevocably and unconditionally implement the management, maintenance and marketing works. To avoid any doubt, implementation of the management, maintenance and marketing contract will be limited to the period following the cancellation of the lease. This requirement is only binding on Eskan Company and not SICO Capital or the Fund that has the right to appoint a third party to carry out management, maintenance and marketing works after the lease is cancelled by either party. The parties are aware that the management, maintenance and marketing contract has no any connection with the lease contract where the management, maintenance and marketing contract shall remain in force after the initial irrevocable years in case Eskan terminates the lease contract.

The following table shows the fees payable for the management, maintenance and marketing contract:

| Asset | Start of Maintenance Contract | Lease Term | Amount |
|---|---|---|-------------------------------------|
| Eskan Tower 4 | The management, maintenance and marketing contract shall commence following the expiry of the initial 5-year tenancy period in case Eskan cancels the lease contract. | 10 years after the expiry of the irrevocable tenancy period | 7% of the total return of the Tower |
| Eskan Tower 5 | The management, maintenance and marketing contract shall commence after the expiry of the initial 5-year tenancy period in case Eskan cancels the lease contract. | 11 years after the expiry of the irrevocable tenancy period | 7% of the total return of the Tower |
| Eskan Tower 6 | The management, maintenance and marketing contract shall commence following the expiry of the initial 5-year tenancy period in case Eskan cancels the lease contract. | 10 years after the expiry of the irrevocable tenancy period | 7% of the total return of the Tower |
| To make sure, no maintenance, maintenance and marketing fees will be paid throughout the duration of the lease as the Tenant is Eskan for Development and Investment. | | | |

- **Zakat:**

The investor should be aware that the Fund Manager shall not calculate or pay the Fund's Zakat. In case of any changes to the laws and regulations relating to investment funds Zakat, investors will be notified prior to applying such changes.

C. Expenses

- **Fund Expenses**

The Fund shall be responsible for all other expenses related to third party services such as legal, advisory, administrative expenses, costs of governmental regulatory bodies, insurance costs, other professional services and the expenses for purification of illegal profits, if any. Such expenses are expected not to exceed 0.50% of the net asset value of the Fund annually.

The Fund also bears all design, engineering, procurement, supervision, development and management of real estate development costs that are calculated and paid from the Fund's assets to other related service providers.

2) **Liability and Obligations**

The Fund Manager, any Managers, Officers, Employees, Agents, Consultants, Affiliates, Related Parties, Custodian, Developer, Property Manager, Sharia Advisor, members of the Sharia Board and the Board of Directors of the Fund shall not be liable to the Fund or any investor for any loss suffered by the Fund due to any act by any of the said parties with respect to the administration of the Fund. In this a case, any party of the above mentioned parties who wishes to rely on the provisions of this paragraph must act in good faith and in the manner that is believed to serve the best interests of the Fund and such act shall not involve gross negligence, fraud or willful misconduct.

(K) Valuation of Fund Assets

1. **How to evaluate the Fund's real estate assets**

The Administrator shall evaluate the Fund's real estate assets based on the valuations prepared by two independent valuers approved by the Saudi Commission for Accredited Valuers; according to the existing arrangements, the valuers are Value Expert and White Cube. The Fund Manager may change or appoint any new valuator for the Fund without prior notice to the unit holders. Such appointment shall be made by the Fund Manager taking into consideration his fiduciary liability towards the unit holders.

The Fund total asset value is the aggregate of all the real estate assets, cash, accrued profits, other receivables and the market value of all investments in addition to the current value of any other Fund-held assets. For determining the net asset value, the Administrator shall calculate the average assets valuation.

Prior to the purchase or sale of any asset of the Fund, the Fund Manager shall obtain valuations from two independent valuers who must be well-known members of the Saudi Commission for Accredited Valuers and shall have the experience, integrity and knowledge in the real estate and investment domains. The validity of the valuers' valuation reports shall be for three months only.

The Fund's assets have been assessed by valuers certified by the Saudi Commission for Accredited Valuers as per the table below. The purchase prices for ESKAN Towers 4, 5 and 6 have been approved for SR 190,000,000, SR 182,400,000 and SR 200,000,000 consecutively:

| Description | Eskan Tower 4 (SAR) | Eskan Tower 5 (SAR) | Tower 6 (SAR) |
|----------------------|---------------------|---------------------|---------------|
| White Cube Valuation | 193,170,000 | 182,400,000 | 204,080,769 |
| Century 21 Valuation | 190,000,000 | 185,000,000 | 200,051,923 |
| Average Valuation | 191,585,000 | 183,700,000 | 202,066,346 |
| Purchase Amount | 190,000,000 | 182,400,000 | 200,000,000 |

2. Valuation Frequency and Timing

The Fund Manager shall evaluate the assets of the Fund by appointing two independent valuers certified by the Saudi Commission for Accredited Valuers. The valuation shall be conducted at least once every six months and at other times as determined by the Fund Manager (referred to as "**Valuation Day**"). The Fund Manager may postpone the valuation of the Fund's assets subject to the approval of the Capital Market Authority in accordance with Article (22) of the Real Estate Investment Funds Regulations.

(L) Fund Units Trading

- 1) Upon listing, the units of the Fund may be traded in the same manner as the shares of companies listed on the Saudi Stock Exchange (Tadawul). Thus, unit holders and investors may trade during the normal trading hours on any business day of the market through licensed brokerage firms, nevertheless any contrary clause.
- 2) The purchase of units in the Fund through the Saudi Stock Exchange (Tadawul) is an acknowledgment by buyer that he has reviewed these Terms and Conditions.
- 3) Trading in the units of the Fund shall be subject to trading charges settled as prevailing in the Market.

In accordance with the Real Estate Investment Funds Regulations, the Capital Market Authority may at any time suspend or cancel the listing of the Fund's units as it deems fit.

The Fund Manager undertakes not to list the Fund until the property is transferred to it.

(M) Termination of the Fund

- 1) Without prejudice to the provisions of the Real Estate Investment Funds Regulations, the listing of the Fund's units shall be cancelled upon termination of the Fund.
- 2) The Fund may be terminated if (a) 50 unit holders of the public have not been attracted to the Fund within 12 months as of the date of a notice by the Fund Manager to the Capital Market Authority in accordance with paragraph (p) of Article 3 of the for Real Estate Funds Instructions, (b) in the event that all Fund's assets are disposed of and all proceeds of such dispositions are distributed to investors, (c) in case of any change to regulatory laws,

regulations or other regulatory requirements or significant changes in the market conditions in the Kingdom of Saudi Arabia, and the Fund Manager considers such a change as justification to terminate the Fund or, (d) in the event that SR 171,720,000 has not been raised during the Offering Period or any extension thereof in accordance with these Terms and Conditions or, (e) if termination of the Fund is required under a decision of the CMA or in accordance with CMA's Regulations (each is "Termination Event").

- 3) Each case requires the approval of the Fund Board of Directors and the Capital Market Authority. The unit holders and the CMA shall be notified within 30 days as of the date of termination.
- 4) In the case of termination of the Fund, listing of the units shall be cancelled following a written notice to the CMA and announcement of termination and a timetable for liquidation of the Fund on the Fund Manager's website and that of the Saudi Stock Exchange. The Fund Manager may undertake the liquidation and distribution of its assets to the unit holders, or appoint another liquidator for closing the Fund as he deems appropriate. The Fund's assets may be distributed to the unit holders in kind if the Fund's assets cannot be disposed of or if the Fund Manager considers that this is in favour of the unit holders.

(N) Fund Board

The Fund Manager confirms that all nominated members of the Fund Board of Directors satisfy the qualification requirements stipulated in the CMA Rules and Regulations, and that the independent member of Fund Board meets the definition set out in the list of terms in the CMA Rules and Regulations.

The Fund Manager shall appoint the Fund Board of Directors to monitor the functions of the Fund and to act as an agent for the Fund and unit holders. The Board of Directors together with the Fund Manager shall work to ensure the success of the Fund.

1) Composition of the Board of Directors

The Fund Board of Directors shall consist of five members appointed by the Fund Manager, two of which will be independent. Any amendment to the Fund Board of Directors shall be announced on the Fund Manager's website and that of Tadawul.

The Board of Directors of the Fund consists of the following members:

- **Fadhel Bin Ahmed Makhloq, CEO of SICO Capital Company (Chairman of the Fund Board) and Non-independent board member**

Fadhel Makhloq is the Chief Capital Markets Officer at SICO BSC (c) and has over 36 years of professional experience. Fadhel Makhloq joined SICO in 2004 as Head of Brokerage before being appointed Head of Investments & Treasury in 2008. He was re-appointed as Head of Brokerage in 2010 and then assumed the position of Chief Capital Markets Officer in 2018. Prior to joining SICO, he worked for a number of leading financial institutions including Investcorp and Chemical Bank (now JPM Morgan Chase). Fadhel holds an MBA from Glamorgan University, UK. He is also a board member of SICO subsidiary, SICO Financial Brokerage in Abu Dhabi.

- **Ibrahim Abdulrahman Fatani, Head of Asset Management of SICO Capital - Non-independent board member**

Mr. Ibrahim has 16 years of professional experience in the financial sector and Asset Management field. He joined SICO Capital in April 2022 as Head of Asset Management. Ibrahim managing and supervising all the investment activities including Mutual Funds, Real Estate Funds and, Discretionary Portfolio Management. Prior joining to SICO he worked as Head of Asset Management in MEFIC Capital for two years. Before MEFIC Capital, Ibrahim held several leadership positions in local and international investment firms including: Deutsche Securities Saudi Arabia, Alinma Investment, HSBC Saudi Arabia Limited, Credit Agricole Asset Management and Riyadh Bank. Ibrahim holds a bachelor degree of Finance from Prince Sultan University, Saudi Arabia.

- **Imad Naif Mohammed Awad, Independent member**

Mr. Emad has a significant background in investment banking. He currently works as a Chief Investment Officer for Bayina Partners. He has worked on various IPOs and M&A transactions. Mr. Imad previously worked at Emirates NBD Capital as Head of Investment Banking for their Saudi Operations. Mr. Emad holds a Master's degree in Accounting from George Washington University.

- **Saleh Abdulrahman Almahasen, Independent member**

Mr. Al-Mahasen is currently the Executive Director of Compliance. He has more than 17 years of experience during which he held many roles, responsibilities and leadership positions in the Capital Market Authority including Licensing manager. His last position was the Director of Anti-Money Laundering & Counter Terrorism Financing.

Mr. Al-Mahasen holds a Bachelor's degree in Accounting from King Saud University, and an MBA from the University of Houston, Mr. Al-Mahasen has multiple certifications in various fields.

2) **Board Members Qualifications**

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

- Are not subject to any bankruptcy or liquidation proceedings;
- have never been involved in any fraudulent, dishonourable or deceitful acts;
- Have the necessary skills and experience to qualify them as Board members.

3) **Fund Board of Directors Fees**

The fees of the independent members of the Fund Board of Directors shall not exceed the maximum of SR 10,000 per annum per independent member at the rate of five thousand Riyals per meeting attended.

4) Fund Board Responsibilities:

Members of the Board of Directors of the Fund have the following responsibilities:

- Ensuring that the Fund Manager takes up his responsibilities in the manner that achieves the interests of the unit holders in accordance with these Terms and Conditions, the Real Estate Investment Funds Regulations, the Sharia Advisor's decisions and the Real Estate Investment Funds Instructions;
- Approving all material contracts, decisions and reports relating to the Fund including, but not limited to, development agreements, custody agreements, marketing agreements and real estate valuation reports;
- Approving these Terms and Conditions and any amendments thereto;
- Approving any conflict of interest disclosed by the Fund Manager;
- Appointment of the Fund's Auditor's nominated by the Fund Manager;
- Meet at least twice a year with the Fund Manager's Compliance Officer and the AML / CFT Reporting Officer to ensure that the Fund Manager complies with applicable laws and regulations;
- Ensure that the Fund Manager discloses all material information to unit holders and other stakeholders;
- Act in good faith and with due care to achieve the interests of the Fund and unit holders.

The Fund Manager shall provide all necessary information relating to the Fund's issues to all members of the Fund's Board of Directors to assist them in carrying out their duties.

5) Other Funds Managed by the Fund Board of Directors

No member of the Board of Directors currently manages any other investment fund in the Kingdom of Saudi Arabia (including REITs), except the following:

| Name of the board member | Name of Fund | Fund Manager |
|----------------------------|------------------------------------|------------------------------|
| Fadhel Bin Ahmed Makhlooq | • Riyadh Real Estate Fund | SICO Capital |
| | • SICO Al Qasr Real Estate Fund | SICO Capital |
| | • SICO Capital Money Market Fund | SICO Capital |
| | • SICO Capital GCC Dividend Growth | SICO Capital |
| Ibrahim Abdulrahman Fatani | • SICO Capital Money Market Fund | SICO Capital SICO Capital |

| | | |
|-----------------------------|---|---|
| | <ul style="list-style-type: none"> • Riyadh Real Estate Fund • SICO Al Qasr Real Estate Fund SICO Capital GCC Dividend Growth Fund | <p>SICO Capital</p> <p>SICO Capital</p> |
| Imad Naif Mohammed Awad | - | - |
| Saleh Abdulrahman Almahasen | - | - |

(O) Fund Manager

1) Name of Fund Manager and Administrator

Name: SICO Capital Company
Address Tamkeen Tower – 11th floor, King Fahad Road, PO Box 64666
Riyadh
Kingdom of Saudi Arabia
Tel: +966-11-279-9877
Fax: +966-11-279-9876
Website: www.sicocapital.com.sa

2) The Fund Manager as a Licensed Person

The Fund Manager is a one-person shareholding company registered in accordance with the laws of the Kingdom and is licensed by the Authority as a "Licensed Person" under the Authorized Persons Regulations issued by the Board of Directors of the Authority pursuant to the Capital Market Law, by virtue resolution No. 1-83-005 dated 21/5/1426 (corresponding to 28/6/2005) under License No. 37-96-080 dated 27/6/1430 H (corresponding to 20/6/2009).

SICO Capital Company is a Riyadh-based, Saudi Arabia, company specialized in wealth management. The company offers asset management, advising, corporate finance and custody services to high net worth individuals, family offices and businesses.

3) Fund Manager Services

The Fund Manager shall appoint an investment Portfolio Manager registered with the Capital Market Authority in accordance with the Authorized Persons Regulations issued by the Capital Market Authority to supervise the management of the Fund's assets.

The Fund Manager will provide the following administrative services and other services to the Fund, including but not limited to:

- a) Identifying investment opportunities and implementing the sale and purchase of the Fund's assets;
- b) Develop decision-making procedures to be followed when implementing the technical and administrative affairs of the Fund;
- c) Advise the CMA of any material facts or developments that may affect the operation of the Fund;
- d) To comply with all laws and regulations in force in the Kingdom of Saudi Arabia relating to the operation of the Fund;
- e) Managing the assets of the Fund in a way that serves the best interest of investors in accordance with the Terms and Conditions;

- f) To ensure the regularity and effectiveness of all contracts concluded in favor of the Fund;
- g) Implementing the Fund's strategies outlined in these Terms and Conditions;
- h) Arrange, negotiate and execute the sharia-compliant debt facilities instruments on behalf of the Fund;
- i) To appoint and obtain the approval of the Fund's Sharia Board of these Terms and Conditions are in compliance with Sharia Investment Regulations;
- j) Arrange, negotiate and execute contracts for property managers and Property Managers on behalf of the Fund;
- k) Oversee the performance of the parties outsourced by the Fund;
- l) Arrange liquidation of the Fund upon its termination;
- m) Provide the Fund Board with all necessary information relating to the Fund to enable Board members to fully discharge their responsibilities;
- n) Consult with the Fund Board of Directors to ensure compliance with CMA regulations and these Terms and Conditions.

The Fund Manager is also liable for any losses incurred by the Fund as a result of the Fund Manager's gross negligence or willful misconduct.

4) Material Conflicts of Interest

The Fund Manager has not identified any business or interest of the Fund Manager's Board members that would conflict with the interests of the Fund.

Potential conflicts of interest between the Fund Manager and the Fund are outlined in paragraph (s) of these Terms and Conditions.

The Fund Manager shall have no interest or claims against the Fund or its assets, except to the extent that it has units in the Fund. The Fund Manager's creditors shall have no interest in any assets of the Fund.

5) Delegation to third parties

The Fund Manager shall be responsible for the management of the Fund and for appointing any party (including its subordinates) to assume any of its responsibilities. The Fund Manager may appoint third parties to provide services and delegate his powers to others in order to enhance the performance of the Fund.

6) Investment in the Fund

The Fund Manager will not participate in the Fund during the Offering Period.

o) Custodian

Name: Riyadh Capital Company
 Address: Prestige Building 6775 Al-Takhasusi Street, Olayya Riyadh 3712-12331
 Kingdom of Saudi Arabia
 Riyadh 920012299
 Kingdom of Saudi Arabia
 Website: www.riyadcapital.com

The Custodian is licensed by the Capital Market Authority as a "Licensed Person" under license No. 07-7070. The Custodian will establish one or more Saudi Limited Liability Companies (each is a "Special Purpose Vehicle") to hold the Fund's assets under legal instruments to prove its legal

ownership of the non-registered assets in the name of a lender. Such a SPV will maintain the tax efficiency and regulatory compliance and will provide maximum legal protection to investors. The Custodian shall have no right or claim in the assets of the Fund, except as a potential holder of the units. The Custodian's creditors shall have no right in any of the Fund's assets.

The role of the custodian includes, but is not limited to:

1. Keeping the documents related to the Fund (title deeds, investment decisions, all material contracts, minutes of the Board meetings, valuation reports and Terms and Conditions of the Fund).
2. Establishing a special purpose vehicle as a legal entity and limited liability, under the name proposed by the Fund Manager and approved by the Capital Market Authority and the Ministry of Commerce and Industry for the purpose of registering the ownership of the Fund's real estate assets legally in the name of the Special Purpose Vehicle.
3. To take the necessary actions to segregate the Fund's assets from any other assets of the Custodian, including but not limited to, stipulate in all relevant records that the ownership of the assets is for the Fund or Fund Manager in accordance with the Custodian's obligations under the Authorized Persons Regulations.

(P) Operation, Maintenance and Marketing Manager, Property Manager and Tenant - Eskan for Development & Investment Company

- The duties of Eskan for Development and Investment Company, according to the contract concluded with it include:
 - Periodic operation of the buildings and their facilities, follow up collection of rents and daily management of the warehouses.
 - Supervising the scheduled corrective and periodic preventive maintenance.
 - Marketing units by finding Tenants for the hotel tower for the Hajj, Ramadan and Umrah seasons under the terms determined by the Fund Manager in writing, at the closing of the Fund or at the request of the first party.
- The agreement with the Operation, Maintenance and Marketing Manager is open-ended and is terminated in the following cases:
 - The expiry of the Fund Term according to the Terms and Conditions prospectus.
 - Either party may terminate the agreement within the three-month notice as of the date of such notice, provide reasonable justifications for the termination and give the opportunity to address such reasons.

(Q) Fund Auditor

Name: Al Bassam & Co. Allied Accountants PKF
Address: Sulaymaniyah, Prince Abdul Aziz bin Mousaed Road
PO Box 69658, Riyadh 11557
Kingdom of Saudi Arabia
Website: www.pkf.com

The Fund Manager may change the Fund's Auditor from time to time subject to the approval of the Fund Board of Directors and the Capital Market Authority (CMA). The unit holders shall be notified of such change.

(R) Financial Statements

The fiscal year of the Fund shall start as of 1 January and end on 31 December of each year, except for the first year of establishment of the Fund whose fiscal year shall commence as of the closing date and end on 31 December 2017.

The Fund's financial statements shall be prepared by the Fund Manager, semi-annually (unaudited statements) and annually (audited statements) in accordance with the standards of the Saudi Organization for Certified Public Accountants. The annual financial statements shall be audited by the Fund's Auditor and reviewed by the Fund Board of Directors. They will be made available to the Capital Market Authority as soon as they are approved and provided to Units holders within a maximum of 25 days from the end of the period covered under the unaudited financial statements, and 40 days from the end of the period covered under the audited financial statements. The financial statements of the Fund shall be published on the Fund Manager's website and that of the Saudi Stock Exchange (Tadawul).

(S) Conflicts of interest

A conflict of interest may arise from time to time between the Fund on one hand and the Fund manager or its affiliates, managers, officers, employees and agents on the other, and other funds sponsored or managed by the Fund Manager. If the Fund Manager has a material conflict of interest with the Fund, he shall disclose this to the Board of Directors as soon as possible. The Fund Manager and the Fund Board of Directors will attempt to resolve any conflict of interest by exercising good faith and taking the interests of the affected parties as a whole into account.

Initially, the Fund Manager has identified the following potential conflict of interest points:

1) Investments similar to those of SICO Capital Company

SICO Capital manages and is expected to continue to manage its own accounts, investments and accounts with similar objectives in whole or in part to the objectives of the Fund, including other collective investment programs managed or sponsored by SICO Capital, in which SICO Capital or an affiliate of it may have an interest.

In addition, within the limits set out in these Terms and Conditions, SICO Capital and its affiliates may in the future manage private equity funds or group investments and takes the role of the Fund Manager, Investment Manager or General Partner of such Funds or Investments, in which one or more of them may invest in real estate similar to those of the Fund, provided that such other investment does not hinder the success of the Fund.

2) Conflicts of interest relating to transactions with the Fund Manager and its affiliates

The Fund may enter into transactions with the Fund Manager, its officers, managers, affiliates or other parties in which SICO Capital has direct or indirect interests. For example, some affiliates of SICO Capital may provide services to the Fund; and therefore the Fund's Board of Directors must be notified of all transactions between the Fund and the Fund Manager, its officers, managers and affiliate and entities in which SICO Capital has a direct or indirect interest.

3) Board of Directors

The Board of Directors shall monitor and resolve any conflict of interest. As of the date of these Terms and Conditions, the Board of Directors shall be formed of members appointed by the Fund Manager. The members of the Board of Directors shall have a fiduciary duty to unit holders in accordance with the Real Estate Investment Funds Regulations, in addition to making utmost effort to resolve the conflicts of interest in good faith, as they deem appropriate. A member of the board of directors who engaged in a conflict of interest shall not vote on any decision concerning such conflict.

Mechanism to avoid conflicts of interest of the Board members:

- The Fund Manager shall manage the conflicts of interest of the Fund's Board of Directors in accordance with the Authorized Persons Regulations, Investment Fund Regulations and any CMA's regulations relating to conflict of interest management.
- The Fund Manager will avoid and will not engage in any significant business activity between the Board Members (or their immediate relatives) or the Fund.
- The Fund Manager shall ensure that the members of the Board of Directors inform him of all business activities they are currently engaged. This information will be requested and updated annually.
- If the Fund Manager determines that there is an issue requiring the approval of the Board of Directors and that such issue involves an activity of a member of the Board of Directors or his immediate relatives, the Fund Manager shall request that Member to refrain from participating and voting on this matter.
- The Compliance Officer will be involved in any decision requiring management of conflicts of interest between the members of the Board of Directors of the Fund or between related parties and Board members.

4) Transactions of Related Parties

From time to time, the Fund may enter into transactions with related parties and its affiliates to provide services to the Fund (including legal and advisory services) or to a particular real estate. Such transactions shall be disclosed to the Fund Board of Directors and shall be executed based on the standard conditions of the market.

The Fund will have a relationship with Eskan for Development and Investment who are related parties as described below.

The current relationship of Eskan for development and investment before the establishment of SICO Saudi Fund:

- Seller party of Eskan Towers 4 and 6
- Investor of 20% in kind in Makkah Income-Generating Fund managed by SICO Capital the Property and Operation Manager of Eskan Tower 5
- Tenant of Eskan Tower 5
- Dr. Nabih Abdulrahman Sulaiman Al Jaber, independent member of the Board of Makkah Income-Generating Fund managed by SICO Capital.

After the close of the offering period and the transfer of ownership to SICO Saudi REIT Fund,

Eskan relationship with the Fund shall be as follows:

- The lease contract shall include the commitment of the Tenant of all management, operation and maintenance expenses of Eskan Tower 4 for five years, Tower 5 for four years and Tower 6 for five years, renewable subject to the approval of the Fund Manager and Eskan for Development Company.
- The real estate, operation, maintenance and marketing Manager of Eskan Tower 4 after the lapse of the first five years, Tower 5 after the lapse of the first four years and Tower 6 after the lapse of the first five years or non-renewal of the lease for additional periods. This option is only binding on Eskan Co. and not the Fund Manager.

5) Determination the value of the initial investment portfolio for subscription to the Fund

The Fund Manager has appointed two independent valuers to determine the value of the properties comprising the initial investment portfolio on basis of which the average value and purchase price of the initial investment portfolio has been determined. Subscription to the Fund will be made by transferring the ownership of the initial investment portfolio to become part of the Fund's assets in return for a cash amount paid by the Fund for the properties comprising the initial investment portfolio. To avoid doubt, the Fund Manager will rely on two independent valuers to determine the average value of the initial investment portfolio to mitigate the impact of any conflict of interest in this regard.

6) Financing Bank

For the purpose of obtaining funding for the Fund, the Fund Manager will discuss this with one or more financiers in Saudi Arabia, including Bank Muscat which holds 27.2918% of the capital of SICO Capital. All funding transactions that will be concluded in the future between the Fund Manager and Bank Muscat will be made on a commercial basis.

The above does not include a full and comprehensive explanation and a summary of all potential conflicts of interest involving investment in the Fund's units. We therefore strongly recommend that all potential investors seek independent advice from their CMA-licensed professional consultants.

(T) Reporting to Unit Holders

1) Events to be Reported

The Fund Manager shall submit reports directly to the Capital Market Authority and unit holders through the Saudi Stock Exchange and shall immediately disclose the following information through the Website:

- Any significant development unknown to the public, which may affect the Fund's assets, its contracting parties, financial position, the Fund's general course of action or any other change that may result in the voluntary resignation of the Fund Manager from his position as a manager of the Fund which may reasonably affect the unit price or may have a significant impact on the ability of the Fund to meet its obligations with respect to debt instruments;

- Any purchase, sale, lease or mortgage transaction of an asset at a price equal to or greater than 10% of the total value of the Fund's assets in accordance with the most recent audited interim or audited annual financial statements of the Fund;
- Any losses equal to or greater than 10% of the net asset value of the Fund in accordance with the most recent interim audited or annual audited financial statements;
- Any changes to the composition of the Board or its Committees (if any);
- Any dispute involving any lawsuits, arbitrations or mediation where the value included is equal to or greater than 5% of the Fund's NAV according to the latest interim audited or annual audited financial statements, whichever is later;
- Any increase or decrease in the net asset value of the Fund equal to or greater than 10% in accordance with the latest semi-annual audited or annual audited financial statements;
- Any increase or decrease in the total interests of the Fund equal to or greater than 10% according to the latest annual audited statements;
- Any transaction between the Fund and a related party, or any arrangement by which the Fund and a related party invest in a project or asset in order to provide financing to the Fund of an amount equal to or greater than 1% of the Fund's total income according to the most recent annual audited statements;
- Any disruption in the Fund's core activities equivalent to or greater than 5% of the total income of the Fund in accordance with the most recent annual audited statements;
- Change of the Fund's Auditor;
- Appointment of a replacement of the Custodian of the Fund;
- Issuance of any judgment, decision, order, declaration by any court or tribunal, either for main instance or appeal, which may adversely affect the Fund's utilization of any part of its assets of a total value exceeding 5% of the net asset value according to the latest audited interim or audited annual financial statements;
- Any proposed change to the Fund's total target value.

2) Annual Reports

The Fund Manager shall prepare and disclose annual reports to the unit holders through its Website. Annual reports shall include the following information:

- The underlying assets in which the Fund invests;
- The assets in which the Fund intends to invest;
- Description of the leased and non-leased properties in relation to the total assets held by the Fund;
- A comparative description covering the performance of the Fund over the past three financial years (or since inception) explaining the following:

- Net asset value of the Fund at the end of each fiscal year;
 - Net asset value per unit at the end of each fiscal year;
 - The highest and lowest net asset value per unit at the end of each fiscal year;
 - Number of units issued at the end of each fiscal year;
 - Distribution of income per unit;
 - Fund expenditure rate.
- A performance statement showing the following:
 - Total revenue for one, three and five years (or since inception);
 - Annual total revenue for each of the past 10 years (or since inception);
 - A table showing fees, charges and commissions incurred by the Fund in favor of other parties throughout the year. In addition, the table shall disclose any circumstances that made the Fund Manager to waive or reduce any fees.
- In the event of any fundamental changes affecting the performance of the Fund during the relevant period;
 - The annual report of the Fund Board of Directors, including, but is not limited to, the issues discussed by the Board of Directors as well as the resolutions resolved, including the matters relating to the Fund's performance and achievement of its objectives;
 - A statement of the special commissions received by the Fund Manager during the relevant period clearly indicates the purpose of the commissions and how they are used.

(U) Other Information

1) Meetings of Unit holders

The Fund Manager may, on its own initiative, call for a meeting of the unit holders.

The Fund Manager shall call for a unit holders' meeting within 10 days of receiving such written request from the Custodian. Also, the Fund Manager shall call for a unit holders' meeting within 10 days of receiving such written request from one or more unit holders who individually or jointly hold at least 25% of the Fund's units.

The Fund Manager shall call for a meeting of unit holders by announcing the invitation on its website and that of Tadawul, and by sending a notice in writing to all unit holders and the Custodian giving a minimum of 10 days' notice and a maximum of 21 days' notice of the meeting. The announcement and notice must specify the date, place and time of the meeting and the proposed agenda. The Fund Manager must at the same time as sending a notice to unit holders regarding any meeting, provide a copy of any such notice to the CMA.

The quorum required to conduct a meeting of the unit holders shall be such number of unit holders holding at least 51% of the value of the fund units. If the quorum is not met, the Fund Manager shall call for a second meeting by announcement on its website and that of Tadawul and shall send a notice in writing to all unit holders and the custodian giving not less than 5 days' notice of the second meeting. At the second meeting, any

number of unit holder(s) holding any number of units present in person or represented by a proxy shall be deemed to satisfy quorum.

Each unit holder has the right to appoint a proxy to represent him at the unit holders' meeting. Meetings of unit holders, their deliberations and voting on their decisions may be held through teleconferences according to the conditions set by the CMA. In addition, each unit owned by the unit holder represents one vote at the unit holders' meeting and the unit holders' decision is effective subject to the approval of the unit holders who hold more than 50% of the total units of the Fund and those present at the meeting either personally or through proxy or via teleconferencing.

2) Unit Holder Rights

The Fund Manager acknowledges that the unit holders are entitled to vote on matters raised in the unit holders' meetings, and the approval of the majority of unit holders holding 51% of the value of units must be obtained in respect of any fundamental change to the Fund. The Fundamental change is:

- any significant change in the Fund's objectives or nature;
- a change that may adversely affect the unit holders or their rights in the Fund;
- a change that may have an impact on the risk position of the Fund;
- Any increase in the Fund total target value.

3) Sharia Advisor and Compliance

The Shariyah Review Bureau was appointed by the fund manager as a Shariah advisor to supervise and advise on the fund's compliance with Shariah controls and standards. Islamic Sharia such as: Malaysia, Saudi Arabia, Algeria, Egypt, Qatar, UAE, Sudan and Bahrain. Ensure that the Fund's investments are in compliance with the Sharia guidelines included in Schedule C of these Terms and Conditions.

The Shariyah Review Bureau is licensed by the Central Bank of Bahrain in order to provide Sharia audit, structuring, review and approval services (Fatwa),

The Shari'a board that will review and approve the Fund's documents and operations is Sheikh Muhammad Ahmed Sultan. The Shariyah Review Bureau will also appoint a Shari'a audit team to carry out periodic review and Shari'a supervision over the fund's activities to assure the Shari'a Supervisory Board and its Board of Directors that the fund's operations and investments are in compliance with Shari'a controls and standards.

Sheikh / Muhammad Ahmed:

Sheikh Mohammed Ahmed has more than 10 years of experience in the field of Sharia and academic advice related to Islamic finance and banking, related to the re-design of traditional products, and the restructuring of investment funds, whether in banks, insurance companies, securities management companies, and the stock sector, and working on finding practical, accurate and technical solutions in order to obtain He is part of the work team in the Shariyah Review Bureau

and is knowledgeable in law and legal jurisprudence (Jurisprudence of Transactions). As the internal Sharia auditor of the Bureau, his work is based on assisting companies and financial institutions to improve their systems and structures to comply with Islamic Sharia, and assists clients in reviewing their product plans and finding procedural systems for their structures in accordance with Islamic Sharia provisions and business priorities, as well as assisting them in understanding basic items and best practices product management.

Roles and Responsibilities of the Shari'a Supervisory Board:

- Reviewing and approving the fund's offering documents, including the fund's terms and conditions and all other documents executed under the fund's umbrella, and approving any subsequent amendment thereto.
- Preparing the Sharia standards that the fund adheres to when investing.
- Meeting, if necessary, to discuss issues related to the fund.
- Responding to inquiries from the fund manager related to the fund's investments, activities, or investment structure, and regarding compliance with Shariah regulations and standards.
- Supervising and controlling the fund's activities to ensure their compliance with Shariah controls and standards, or delegate that to another party.

The Sharia Advisor has reviewed these Terms and Conditions, approved the structure of the Fund and the offering of the Units. The Fund shall be responsible for the Sharia fees and expenses including the fees of the Sharia Consultant, auditors, Sharia Board, investments and financing expenses to ensure compliance with Sharia regulations.

In the event that the Fund has received any non-sharia compliant proceeds or other amounts, the Fund shall arrange for the purification of such amounts in accordance with the procedures adopted by the Fund Manager and approved by the Sharia Advisor from time to time.

4) Property Manager

The Fund Manager shall appoint a manager for each real estate to be responsible for the administrative affairs of the real estate, including the development of management rules and policies, persuasion of the property and Tenants affairs, rent collection, follow-up of periodic maintenance and effective utilization of the property to achieve the best returns. The Fund Manager may change the Property Manager from time to time based on his performance. To avoid doubt, the Fund Manager may be the Property Manager or designate any of its affiliates to be a Property Manager for one or more of the Fund's assets. The properties are currently managed by Eskin for Development and Investment Company.

5) Main Contracts

The Fund's main contracts include, but are not limited to, the following contracts:

Asset Purchase Agreement: This agreement stipulates that the Fund, through the Special Purpose Vehicle, will purchase the properties from the seller at a purchase price of SR 572.4 million on ---/---/2017 or earlier.

Property Management Agreement: The Fund and the Property Manager will conclude a Property Management Agreement to appoint the Property Manager who will be responsible for the collection of rents and maintenance of the property buildings. The Fund shall pay the annual costs of the Property Manager and the management, maintenance and marketing contract. This Agreement shall be governed by the laws of the Kingdom of Saudi Arabia. Any dispute relating to the Agreement shall be referred to the Saudi courts.

Continuity and Management Agreement: The Fund and/or the Special Purpose Vehicle shall conclude the Continuity and Management Agreement, which stipulates, among other things, that the seller makes the best efforts to secure suitable buyers of the properties within three 3 months following the termination of the Fund.

Financing Agreement and Guarantee Agreement: The Fund/Special Purpose Vehicle is expected to conclude an Islamic financing agreement with the financier to finance the acquisition of the property. The Fund will provide certain guarantees and assurances to the financial institution including the transfer of ownership of the real estate to that funding institution during the financing period.

Custody Agreement: The Fund Manager has appointed Riyadh Capital as a Custodian of the Fund's assets. The Custodian will establish one or more Special Purpose Vehicle to hold the real estate on behalf of the Fund. This Agreement shall be governed by the laws of the Kingdom of Saudi Arabia.

Tax and Property Agreement: Each Special Purpose Vehicle shall enter into an agreement with the Fund, which shall state that the Special Purpose Vehicle will only act on behalf of and in the interest of the Fund and that the Fund shall bear all taxes, VAT and other fees and expenses of the Vehicle.

Terms and Conditions: These Terms and Conditions set out the key Terms and Conditions of the Fund's operations, its governance structure as well as the legal and financial conditions. According to these Terms and Conditions, SICO Capital has been appointed as the Fund Manager. Each investor must sign a copy of these Terms and Conditions before he can buy and hold units in the Fund.

Subscription Agreement: The Subscription Agreement is the document that specifies the amount of the investor's subscription, which, if accepted by the Fund Manager, shall be binding contract on the basis of which the eligible investor can purchase the units.

Audit Agreement: The Fund Manager has entered into an agreement to appoint Al-Bassam & Co. (PKF) as the Auditor of the Fund's accounts. The Auditor will be paid lump sum fee of SR 18,000 per annum.

Sharia Agreement: The Fund Manager has entered into an agreement to appoint Shariyah Review Bureau as the Sharia Board of the Fund and will receive an annual fee of SAR 18,750.00 for the first year which may change in the coming years.

Lease Agreement: The Fund Manager will enter into lease contracts with Eskan for Development and Investment Company for Eskan Towers 4 for 15 years, 5 for 14 years and 6 for 15 years.

6) Other Service Providers

The Fund Manager may, from time to time, seek the assistance of additional consultants and other service providers in connection with one or more assets, including, but not limited to, facility managers, project managers, contractors, architects, designers, legal advisers and others. Any external party will be hired under an agreement negotiated on a purely commercial and independent basis.

7) Complaints Procedures

In case any investor has, during the Fund term, any inquiries or complaints regarding the operations of the Fund, the investor should contact:

SICO Capital
Head of Compliance, AML
Email: Compliance@sicocapital.com
Tel: +966 112799820
Fax: +966 112799515

(V) Amendment of the Fund Terms and Conditions

The Fund Manager shall, at its discretion, amend these Terms and Conditions subject to the approval of the Fund Board of Directors, the Sharia Board and the Capital Market Authority, subject to the approval of the majority of the unit holders of any proposed fundamental change stipulated in paragraph (g) of these Terms and Conditions.

The Fund Manager shall provide the CMA and the Custodian with an amended version of the Terms and Conditions within 10 working days as of the date of any change.

The Fund Manager shall disclose any details regarding the changes to the Terms and Conditions on its website and on that of Tadawul within 10 working days of the date of any change, including annual updates on the performance of the Fund.

The Fund Manager shall announce details of the fundamental changes to the Terms and Conditions on its website and that of Tadawul 10 working days before any change takes effect.

(W) Governing Law

These Terms and Conditions constitute a legally binding contract between the Fund Manager and each unit holder. Subscription to and purchase of units shall be deemed as an implicit approval of These Terms and Conditions.

These Terms and Conditions shall be construed and interpreted in accordance with the Real Estate Investment Funds Regulations and the provisions of the Real Estate Funds Instructions, the Capital Market Law and the provisions relating to the other implementing regulations in force in the Kingdom.

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

The Fund Manager and each investor will endeavor to resolve amicably any dispute arising out of or in connection with these Terms & Conditions and the matters contemplated therein. If a dispute cannot be settled amicably within 30 days of notice given in this respect, such dispute may be referred by either party to the CMA's Committee for Resolution of Securities Disputes.

(X) Distributions to unit holders

The Fund Manager expects to distribute semi-annual cash dividends in January and July to investors at a rate not less than 90% of the Fund's net profits. The dividends exclude capital gains from the sale of real estate assets and other investments which may be re-invested in additional assets. Annual profit amounts are expected to increase during the term of the Fund along with the increase in the number of income-generating properties owned by the Fund increases.

(Y) Fund's Capital Increasing Mechanism

If the Fund Manager decides that the Fund needs additional funding through the unit holders' contributions, the Fund may increase its capital by:

- Inviting existing unit holders to purchase additional new units in the Fund as applicable in listed companies in accordance with established procedures and requirements. In such a case, the unit holders will have the right to participate in any additional Units issued by the Fund. In case of non-participation by unit holders, the Fund Manager shall be entitled to put units to the public.
- Accepting in-kind contributions that may lead to an immediate reduction in the percentage of unit holders' contribution to the Fund's units. In this case, the increase in capital through in-kind contributions does not grant rights issue to unit holders.
- Accepting both cash and in-kind contributions.

Upon any increase in the Fund's capital, the Fund Manager shall put units of the Fund to the public if he sees that an added or complementary value is in the interest of the unit holders. The Fund Manager takes the following factors into account when issuing units in the Fund in the future, for example:

- The net asset value of the Fund as has been determined under the latest valuation of the Fund's assets.
- The Fund's unit market price and historical average rates.
- The added and complementary value resulting from the rights issue.

- Market and economic conditions, the condition of the real estate sector and levels of liquidity.

The Fund Manager takes the following actions to increase capital:

- Call for a unit holders meeting as provided for in Article (25) of these Terms and Conditions.

- Provide the justifications for the capital increase, the criteria for the rights issue and the steps to be taken in this regard.

- Issue and announce the decision of the approval of the capital increase after obtaining the approval of the Authority.

(Z) Unit Holders Meeting policy

- The Fund Manager may, on its own initiative, call for a meeting of the investors.
- The Fund Manager shall call for a unit holders' meeting within 10 days of receiving such written request from the Custodian.
- The Fund Manager shall call for a unit holders' meeting within 10 days of receiving such written request from such a number of unit holders who individually or jointly hold at least 25% of the Fund's units.
- Invitation to the investors' meeting shall be announced on the Fund Manager's website and that of the Saudi Stock Exchange, and by sending a notice in writing to all investors and the Custodian not less than 10 days and not more than 21 days prior to the date of the meeting. The announcement and notice must specify the date, place and time of the meeting and the proposed resolutions.
- The Fund Manager shall call for a unit holders' meeting within 10 days of receiving such written request from such a number of unit holders who individually or jointly hold at least 25% of the Fund's units.
- The investors' meeting shall not be deemed quorate unless attended by a such number of investors holding together at least 25% of the value of the Fund's units.
- If the quorum specified in paragraph 25.5 is not met, the Fund Manager shall call for a second meeting by announcing this on its website and that of the Saudi Stock Exchange and by sending a written notice to all investors and custodian at least 5 days prior to the date of such second meeting, which shall be deemed quorate irrespective of the percentage of the total Units represented therein (whether in person or by proxy).
- Each investor may appoint a proxy to represent him at the investors' meeting.
- Each investor shall be entitled to one vote at the investors' meeting per unit he holds at the time of the meeting.
- Meetings of unit holders may convene, participating in their deliberations and voting on their decisions through teleconferences according to the controls set by the CMA.

- The decision shall be effective if approved by investors representing more than 50% of the total units present at the investors' meeting, whether they are in person or proxy or by means of modern technology.

(i) Unit holder Rights

- 1) Investors who hold at least 25% of the value of the units of the Fund shall be entitled to call the unit holders meeting.
- 2) Each investor shall be entitled to one vote per unit he holds at the time of the meeting.
- 3) Each holder of voting units shall be entitled to accept or reject any proposed fundamental change to the Fund. This change means the following:
 - Significant change to the objectives or nature of the Fund.
 - A change that may have a negative and material effect on investors or their rights in the Fund.
 - A change that has an impact on the risk position of the Fund.
 - Increasing the Fund's capital.

(ii) Fund Administrator

Name: SICO Capital Company
Address Tamkeen Tower – 11th floor, King Fahad Road, PO Box 64666
Riyadh
Kingdom of Saudi Arabia
Tel: +966-11-279-9877
Fax: +966-11-279-9876
Website: www.sicocapital.com.sa

The Managing Director shall be responsible for handling the Subscription Applications and calculating the Net Asset Value of the Fund. The Fund Manager may change the Fund's Administrator from time to time subject to the approval of the Fund Board of Directors and the Capital Market Authority. Unit holders shall be notified of the change of the Administrator. The Administrator may appoint sub-administrators from time to time.

(iii) Declarations of the Fund Manager

The Fund Manager confirms that the Terms and Conditions of SICO Saudi REIT Fund have been prepared in accordance with the Real Estate Investment Funds Regulations and the Real Estate Investment Funds Instructions of the Capital Market Authority.

The Fund Manager accepts the full responsibility for the accuracy of the information contained in these Terms and Conditions and declares, to the best of its knowledge and belief that (having taken all reasonable care to ensure that such is the case), that there are no other facts may be omitted or not included in this Prospectus to make any statement in this

Prospectus misleading. Saudi Capital Market Authority and the Saudi Stock Exchange shall not be held responsible for the content of these Terms and Conditions and shall not make any representations or warranties regarding its accuracy or completeness; and expressly disclaim any loss that may be caused by reliance on any part of these Terms and Conditions.

The Fund Manager confirms that the property is free of any irregularities that prevent or may result in the non-use of the property or its operation, and also confirms that the property is technically safe and free of any major engineering faults or defects that may prevent or result in the non-use or operation of the building, or may cause costly repairs and fundamental changes.

The Fund Manager acknowledges that the Fund will not be listed on the market until the ownership of the Real Estate is transferred to the Fund.

The Fund Manager acknowledges that all nominated members of the Fund's Board of Directors meet the qualification requirements set forth in the CMA Rules and Regulations, and that the independent member of the Board meets the definition of Independent Board Member set forth in the list of terms in the CMA Rules and Regulations. This will also apply to any independent member appointed by the Fund Manager throughout the lifetime of the Fund.

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

- Are not subject to any bankruptcy or liquidation proceedings;
- have never been involved in any fraudulent, dishonorable or deceitful acts;
- have the necessary skills and experience that qualify them as Board members.

The Fund Manager also declares that there are no significant businesses or other interests for the members of the Board of Directors of the Fund Manager, "SICO Capital Company" that may conflict with the interests of the Fund.

The Fund Manager acknowledges that unit holders are entitled to vote on matters raised in the unit holders' meetings, and the approval of the majority of unit holders holding 51% of the value of units must be obtained in respect of any fundamental change to the Fund, which includes the following:

- Significant change to the Fund's objectives or nature;
- a change that may adversely affect the unit holders or their rights in respect of the Fund;
- a change that may have an impact on the risk position of the Fund;
- Any increase in the Fund total target value.

The Fund Manager acknowledges that there are direct or indirect conflicts of interest between the following parties in the works and contracts of Eskan Towers 4, 5 and 6:

| Party | Eskan Tower 4 | Eskan Tower 5 | Eskan Tower 6 |
|--|---|--|---|
| Fund Manager (SICO Capital) | Nothing | The Fund Manager acknowledges there is a direct conflict of interest as the Tower is currently owned by Makkah Income-generating Fund and managed by the Fund Manager | Nothing |
| Real Estate Manager (Eskan for Development & Investment Company) | There is a direct conflict of interest as he is the current owner of the property | There is a direct conflict of interests as he is the current Tenant of the Tower and holds 20% of the total investment units of Makkah Income-generating Fund. Its Chief Executive Officer, Dr. Nabih Bin Abdul Rahman Al Jaber, is a Board Member of the Makkah Income Generating Fund. | There is a direct conflict of interest as he is the current owner of the property |
| Real Estate Owner (Eskan for Development & Investment Company) | There is a direct conflict of interest as he is the current owner of the property | There is a direct conflict of interests as he is the current Tenant of the Tower and holds 20% of the total investment units of Makkah Income-generating Fund. Its Chief Executive Officer, Dr. Nabih Bin Abdul Rahman Al Jaber, is a Board Member of Makkah Income-generating Fund. | There is a direct conflict of interest as he is the current owner of the property |
| Tenant (Eskan Development & Investment Company) | There is a direct conflict of interest as he is the current owner of the property | There is a direct conflict of interests as he is the current Tenant of the Tower and holds 20% of the total investment units of Makkah Income-Generating Fund. Its Chief Executive Officer, Dr. Nabih Bin Abdul Rahman Al Jaber, is a Board Member of Makkah Income- Generating Fund. | There is a direct conflict of interest as he is the current owner of the property |
| Board of Directors of the Fund | Nothing | Nothing | Nothing |
| Board of Directors of the Fund Manager | Nothing | Nothing | Nothing |

The Fund Manager will strictly ask the Fund Board Members to advise the Board of their direct or indirect personal interests in the business and contracts executed for the Fund, to be recorded in the minutes of the Meeting. The Fund Manager also shall ensure that any Board Member who has any interest in the Fund's business and contracts does not vote on the decisions made thereon.

The Fund Manager acknowledges that all contracts and agreements relating to the Fund and that may affect the investors' decisions to participate in the Fund, have been disclosed.

The Fund Manager acknowledges that the Sellers of the Property have no interest of any kind with the Fund Manager except as disclosed above.

The Fund Manager acknowledges that no member of the Board of Directors may have a direct or indirect interest in the business and contracts executed for the Fund. The Fund Manager will strictly ask the Fund Board Members to advise the Board of their direct or indirect personal interests in the business and contracts executed for the Fund, to be recorded in the minutes of the Meeting. The Fund Manager also shall ensure that any Board Member who has any interest in the Fund's business and contracts does not vote on the decisions made thereon.

The Fund Manager acknowledges that the fees mentioned in the Schedule of Charges in item (j) are all the charges payable by the Fund during the Fund's term without exception. The Fund Manager is fully responsible for the calculation of the fees other than those mentioned in that table.

The Fund Manager acknowledges that there are no conflicts of interest that would affect the Fund Manager in discharging his roles or duties to the Fund.

The Fund Manager acknowledges that the Fund will only be listed upon completion of the transfer of ownership of the Property to the Fund. If the transfer is not completed during the period declared in the Fund's Summary of these Terms and Conditions, then the full amount of Subscription shall be refunded to investors.

The Fund Manager declares that he shall take all necessary steps in the best interest of the Unit holders, to the best of his knowledge and belief with all reasonable care and consideration.

The Fund Manager, its Managers, Officers, Employees, Agents, Consultants, Affiliates, Custodian, Sharia Advisor and the Fund Board of Directors shall exercise all reasonable care and act in good faith to achieve the interests of the unit holders. The Fund however may be liable to loss in any way for any unintentional conduct by any of the above parties in respect of such loss unless it has acted in good faith and should prove such good faith and such conduct was in the interests of the Fund and was not as a result of gross negligence, fraud or intentional misconduct.

Appendix A – Summary of Financial Disclosure

| | |
|----------------------------------|---|
| Fund Category | A Sharia-Compliant Closed Real Estate Investment Fund |
| Place o Registration of the Fund | Riyadh, Saudi Arabia |
| Objectives of the Fund | To invest in structurally developed real estate to achieve periodic income and distribute at least 90% of the net profits of the Fund. The Fund will distribute net profits twice a year in January and July of each year, excluding capital gains from the sale of real estate assets and other investments that may be re-invested in additional assets as determined by the Fund's Board of Directors. The Fund Manager may make other distributions during the year if it is in the interest of the unit holders. |
| Fund Term | The Term of the Fund is 99 years as of the date of listing. |
| Fund Manager | SICO Capital |
| Custodian | Riyadh Capital Company |
| Fund's Currency | Saudi Riyal |
| Offering Date | 01/11/2017 |
| Closing Date | 07/11/2017 |
| Subscription Fee | One-time 2% of the capital contributions |
| Management Fes | 1% per annum of the Fund's NAV. The management fees are calculated on a daily basis during the Fund Term and paid from the Fund's assets at the end of each quarter. |
| Capital Structuring Fees | The Fund shall pay the Fund Manager a one-time payment of 0.25% as capital structuring fee payable from the total subscription amount raised in the Initial Offering, and deducted from the Fund's first year income. In the case of that any other subscriptions are collected either cash or through rights issue (or in kind), the capital structuring fees shall be 1.5% of the total subscription amounts, payable immediately following the closing of any capital collection. This fee includes, but not limited to, in the case of purchase of a new real estate asset, real estate's valuator's fee, feasibility study costs, real estate inspection fees, conduct of due diligence costs including costs of title deeds, leases and necessary permits such as municipal and civil defense permits and any governmental permits to be provided by the Fund Manager, lawyers' fees and any other expenses related to the new property, excluding the dealing fees. For further information please read paragraph (i) of these Terms and Conditions. |
| Finance Structuring Fees | The Fund shall pay the Fund Manager a finance structuring fee of 1.50% of the amount withdrawn from the total credit facilities obtained by the Fund or by any of its affiliates in return the effort to structure and secure the required funding. The funding structuring fees are payable immediately on each withdrawal of the credit facilities. |

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|--|---|
| Dealing Fees | The Fund shall pay the Fund Manager a dealing fee of 2.5% of the purchase price of each asset purchased by the Fund. The Fund Manager shall conduct the necessary investigation, negotiation of the terms of purchase and finalize the transaction. These fees are payable on completion of the purchase of each asset. |
| Custodian Fee | 0.03% of the net asset value of the Fund; Custodian's fees shall be calculated on a daily basis during the Fund Term, and are paid from the Fund's assets at the end of each quarter. |
| Performance Fees | Upon exit from any asset, the Fund Manager shall be entitled to a performance fee of 20% of the surplus yield after deducting the internal rate of return of 8% of the value of the real estate, the dealing fees and all charges related to the property less the cash dividends (net real estate income) |
| Management, Maintenance and Marketing Contract | <p>With regard to Eskan Tower 4, no fees will be paid to the Property Manager (Eskan for Development and Investment) during the first five years of the Lease and Property Management Contract. In respect of Eskan Tower 5, no fees will be paid to the Property Manager (Eskan for Development and Investment) during the first four years of the leasing contract Lease and Property Management Contract. As for Tower 6, no fees will be paid to the Property Manager (Eskan for Development and Investment) during the first five years of the Lease and Property Management Contract. In the case of extension of the contract with Eskan for Development and Investment, the rent will be increased by 10% for all towers.</p> <p>In case the lease is not extended after the initial irrevocable tenancy period, the Fund Manager is entitled, at its sole and absolute discretion, to commit Eskan for Development and Investment Company to carry out management, operation, maintenance and marketing works in return for a fee of 7% of the total project revenues for the management, maintenance and marketing throughout the management. Maintenance and marketing contract (for illustration, this fee is payable after the irrevocable initial period). In case either party cancels the lease after the expiry of the initial period, Eskan undertakes to hand over the asset in the same condition as when received (without any defect or defect including but not limited to supplies, fixtures, furniture and tools), and thus Eskan shall irrevocably and unconditionally implement the Management, Maintenance and Marketing Contract. To avoid any doubt, the implementation of the Management, Maintenance and Marketing Contract will be limited to the period following the cancellation of the lease up to a maximum 5 years as of the date of the expiry of the initial term. This requirement is only binding on Eskan Company and not SICO Capital or the Fund that has the right to appoint a third party to carry out management, maintenance and marketing works after the lease is cancelled by either party. The parties are aware that the management, maintenance and marketing contract has no any connection with the lease contract and shall remain in force after the initial irrevocable period in case Eskan terminates the lease contract.</p> |

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|--|---|
| Saudi Stock Exchange Registration Fees (Tadawul) | Initial fee of SR 50,000 in addition to SR2 per unit holder up to a maximum of SR 500,000. |
| Saudi Stock Exchange Listing Fees (Tadawul) | Initial Listing Service SR 50,000, annual fee of 0.03% of the market value of the Fund, provided that this fee shall not be less than SR 50,000 and not more than SR 300,000. |
| Auditor Fees | SR 18,000 per annum |
| Sharia Advisor Fees | SR 18,750 per annum |
| Fees of Independent Board Members | SR 5,000 per meeting for each of the two independent members, up to a maximum of SR 20,000 thousand per year for all members. |
| Other Expenses | The Fund shall be liable for the payment of administrative, professional and other operational expenses which include, but may not be limited to, the fees of the Fund Administrator, Custodian, Fund Board of Directors, Board members, Auditor and the fees relating to the registration and listing in Tadawul, in addition to the costs incurred by the Fund for the acquisition of real estate assets including, but not limited to, conduct of due diligence, advisory, legal and valuation costs, in addition to the costs of insurance, fees, and other governmental, municipal or regulatory expenses. The Fund shall bear all the costs and expenses related to the special purpose vehicles. Other expenses are expected not to exceed 1% of the purchase price of the property. |

Example of Fees Calculation:

Assuming that the subscription amount is SR 10,000 and the size of the fund is SR 100,000,000, annual return is 10%, and registration and listing in the stock market in Tadawul fees are annually calculated from the market value of the fund taken as maximum limit

| | | Fees and charges for all the Fund | Expenses Percentage of Fund's Size | Fees and charges payable by the Investor |
|--|------------------|-----------------------------------|------------------------------------|--|
| Subscription Amount | | | | 10,200.00 |
| Subscription Fee | One-time payment | | 2.00% | 200.00 |
| Structuring Fees | One-time payment | | 0.25% | 25.00 |
| Saudi Exchange Registration Initial Fee SR 50,000 plus SR2 per each unit holder up to a maximum of SAR 500,000 | One-time payment | 550,000 | 0.55% | 55.00 |
| Initial listing Fees SR50,000 | One-time payment | 50,000 | 0.05% | 5.00 |
| Net Investment Amount | | | | 9,915.00 |
| Return percentage to Fund Net Assets | | | 10.00% | 991.5 |

| | | | | |
|---|-------------------|---------|--------|-----------|
| Securities Depository Center Fees according to the Fund's market value from SR500 million to 2 billion, payable SR400,000 | Paid periodically | 400,000 | 0.40% | 40.00 |
| Tadawul listing fees of the Fund's market value per annum (minimum of SR 50,000 and maximum of SR 300,000). | Paid periodically | 50,000 | 0.05 % | 5.00 |
| Sharia Committee Fees SR 18,750 per annum | Paid periodically | 18,750 | 0.02% | 1.88 |
| Remuneration of the Board of Directors SR20,000 per annum | Paid periodically | 20,000 | 0.02% | 2.00 |
| Auditor's fees SR18,000 per annum | Paid periodically | 18,000 | 0.02% | 1.80 |
| Control fees SR7,500 per annum | Paid periodically | 7,500 | 0.01% | 0.75 |
| Trading fees SR5,000 per annum | Paid periodically | 5,000 | 0.01% | 0.50 |
| Valuators' Fees | Paid periodically | 50,000 | 0.05% | 5.00 |
| Property Inspection Fees | Paid periodically | 50,000 | 0.05% | 5.00 |
| Insurance Fees | Paid periodically | 75,000 | 0.08% | 7.50 |
| Funding fees 1.50% (will be deducted only when financing is received from the bank) | One-time payment | | 0.00% | - |
| Performance Fee 20% above 8% of the net return of sale of the property (will not be deducted unless the property is sold) | One-time payment | | 0.00% | - |
| Management, maintenance and marketing fees. These fees will not be charged to the Fund unless towers are rented to a Tenant other than Eskin. | Paid periodically | | 0.00% | - |
| Other Expenses | Paid periodically | | 0.28% | 28.12 |
| Total Fees from Assets | | | 0.98% | 97.29 |
| Net Assets | | | | 10,809.21 |

| | | | | |
|---------------------------------------|-------------------|---------|-------|-----------|
| Fund Management Fees | Paid periodically | | 1.00% | 108.07 |
| Administrative Fees | Paid periodically | | 0.05% | 5.40 |
| Custodian Fees | Paid periodically | 175,000 | 0.18% | 18.92 |
| Total Fees From Net Assets | | | 1.23% | 132.41 |
| Net Investment Amount at the Year End | | | | 10,676.80 |

Appendix B - Sharia Investment Guidelines

The Fund has been approved by the Sharia Advisor according to the following Sharia criteria:

a. Sharia criteria for Fund Manager's Fees

- The Fund Manager may charge the investor for the investor's participation in the Fund. Such charges are in return for service provided to the Fund and approved by the Sharia Board regardless of whether these fees are in the form of a lump sum or a discounted percentage of the value of the purchased units provided that these fees are clearly stated in the terms and conditions of the Fund.
- The Fund Manager may withhold periodic fees against his management of the Fund. Such fees may be determined at a fixed percentage of the Fund's assets on a specified periodic date, provided that the percentage is specified, acknowledged by the investors and stipulated in the Fund Terms and Conditions.
- The Fund Manager may deduct performance incentives, an additional fee that the Fund Manager requires the investor to pay in the case of an increase in the Fund's profits above a certain agreed amount. Such incentives shall be treated as part of the determined fees and they do not lead to a dispute between the parties, provided that the percentage of such performance incentives is specified in advance, known to the investors and stipulated in the Fund Terms and Conditions.

b. Sharia criteria for Fund Management and Marketing

- The Fund Manager must make every effort to invest the funds of the Fund in the best interest of investors.
- The Fund Manager shall invest the assets of the Fund for the purposes for which the Fund was established, and should not make any investments other than those stated in the Fund's Terms and Conditions unless investors are notified accordingly.
- The Fund Manager may set out the percentage of profit expected from the subscriptions to the Fund based on the market study, provided that such percentage is in the form of approximation and forecasting.
- The Fund Manager shall fully disclose all expenses payable by the Fund.
- All documents pertaining to the Fund including contracts and other forms must not be in violation of the Islamic Sharia principles.
- All agreements related to the Fund must be submitted to the Sharia Board for review and approval prior to proceeding with their signature with other parties.
- The Fund Manager may not enter into any contract which entails the payment or receipt of interest rates; however he may take judicial actions to collect his entitlements.

C. Sharia Criteria for Selling the Fund's Assets:

- The Fund invests its funds in the development of legally permissible real estate projects and not bearing interest rates.

- The Fund shall not get any interest rate in the event of any party defaulting on its obligations; however the Fund may take appropriate judicial action to collect its dues.
- The Fund Manager may lease the properties before selling them, subject to (1) approval of the Board of Directors, and (2) provided that not to lease them to parties engaged in prohibited-sharia activities, such as leasing to interest rate-based banks.

d. Sharia criteria for the investment of the Fund's cash (Murabaha transactions):

The Fund invests its available unused cash amounts in short-term Sharia-compliant transactions as follows.

- Goods to be sold and purchased are sharia-permitted goods.
- The goods sold by the Fund should not be gold or silver, and the like, as it is not permissible to sell such goods and the like, on a spot or forward sale transaction basis.
- The Fund shall not sell the goods until they are legally owned and possessed. The possession of the goods shall be affective following the receipt of the specific documentation or copies of the same evidencing the Fund's ownership of such possessed goods, whether such documents are certificates of possession or storage.
- The Fund shall require the broker not to dispose of the goods by selling or otherwise during the Fund's possession of the goods.
- To avoid the prohibited sale of goods, the Fund should not sell the goods for a price to be paid at a later date, then to buy it back for a lower price to be paid immediately.

Appendix C - Subscription Form

Appendix D - Power of Attorney

I, -----, a ----- national, holder of ID No. -----, passport number -----, being the legal representative of ----- (the "Units' Holder"), as the Legal and Registered Owner of ----- in the SICO Saudi Fund ("The Fund"), hereby authorize -----, a ----- national, holder of ID No. -----, passport number -----, to act (on my behalf/on behalf of the Unit holder) as attorney-in-fact (on behalf of myself/himself) in respect of the Fund's units. He is also empowered to attend and vote in all the meetings of unit holders as of the date of this Power of Attorney until otherwise decided or until I lose my capacity as a unit holder in the Fund / the unit holder loses its capacity as a unit holder in the Fund.

In witness hereof, this Power of Attorney has been signed on ----- as it enters into force.

Name: -----

Signature:.....

**Appendix E - Letter of Credit
SICO Saudi REIT Fund**

On this day ----- of ,-----, 20-----, the undersigned hereby acknowledges and agrees that he has read, understood and agreed to the Terms and Conditions of the SICO Saudi REIT Fund. Also, the undersigned acknowledges and accepts his commitment to the confidentiality provision set out in the Terms and Conditions. Upon his receipt of a signed copy of the Terms and Conditions from the Fund Manager and the acceptance of this Declaration and the Subscription Form by the Fund Manager duly signed by the undersigned, the undersigned shall be deemed to be bound by the Terms and Conditions

Individual investors

Name of the main investor:

Signature:

Address:

Email:

Phone / Mobile:

Natural persons

Authorized Signatory(s):

Name:

Capacity:

Address:

Email:

Phone / Mobile:

Company stamp:

In Witness hereof, this declaration has been accepted by the Fund Manager as of the above date.

Fund Manager

Name:

Capacity:

Signature:

Date:

Fadhel Makhloq

CEO

Rawan Abahussain

Head of Compliance, AML