



Bonyan REIT Fund Terms and Conditions

A publicly traded Shariah compliant closed end real estate investment fund

FUND MANAGER - SAUDI FRANSI CAPITAL

Custodian: AlBilad Capital
Fund Size: SAR 1,628,811,000
Number of Units Offered to Public: 65,152,440
Percentage of Units offered to Public: 40%
Unit Price: SAR 10
Public Offering: SAR 651,524,400

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective subscribers of the units offered hereby should conduct their own due diligence on the accuracy of the information relating to the units. If you do not understand the contents of this document, you should consult an authorized financial advisor.

Bonyan REIT Fund has been certified as a real estate investment traded fund that is Shariah compliant by the Shariah Board appointed for the real estate investment traded fund.

The Fund's terms and conditions shall be read in conjunction with the other documents of the real estate investment traded fund.

The Terms and Conditions were issued on the 21/03/2018G corresponding to 04/07/1439H. The Capital Market Authority (CMA) was notified of the latest updates on 26/06/2024G corresponding to 19/12/1445H.

This is the amended version of the Terms and Conditions Bonyan REIT Fund that reflects the following changes:

- Resignation one of a member of the Fund's Board of Directors.

This is according to our letter sent to the Capital Market Authority on 26/06/2024G corresponding to 19/12/1445H.

Salam Zaki AlKhunaizi

Chief Executive Officer and Board Member

Haifa F. AlGoufi

Chief Compliance, Governance and Legal

Disclaimer	1
Glossary	3
Fund Facts.....	4
Summary of the Offer.....	9
Name and Type of Fund.....	9
Fund Manager Address and Website	9
Fund Duration	9
Fund's Purpose and Objectives	9
Fund's Strategies	10
Investment Policies and Practices	37
Investment Fund Risks	38
Subscription.....	47
Trading of the fund units.....	53
Dividend Policy	54
Termination.....	54
Fees, Charges and Expenses	55
Insurance.....	59
Funds assets.....	61
Fund Board.....	65
Fund Manager	67
Legal Advisor.....	70
Custodian.....	71
Property Manager.....	71
Auditor.....	72
Financial Statement	72
Conflict of interest	72
Reporting to unit holders.....	73
Meeting of unit holder.....	73
Unit holders rights	74
Other information	74
Additional information	77
Sharia Board.....	78
Unit Characteristics	78
Amended Fund Terms and Conditions	79
Fund Manager Declaration	79
Governance Law	80
Acknowledgment	81

2 Glossary







Accredited Valuer	A legal or natural person licensed to carry out the valuation profession in accordance with the Accredited Valuers Law issued by Royal Decree no.(M/43) dated 9/7/1433H and its implementing regulation (Real-Estate Valuation Sector).
Authority	The Capital Market Authority, including where the context permits any Committee, sub-committee, employee or agent to whom any function of the Authority may be delegated.
Business day	The official business day, when the financial markets are open for business in the Kingdom.
Fund Board	The fund directors appointed by the fund manager in accordance with the Investment Funds Regulations and the Real Estate Investment Funds Regulations, to oversee and supervise the relevant fund manager's conduct.
Fund Currency	Saudi Riyals (SAR) - the currency in which the fund unit price is evaluated.
Fund Management Fee	The remuneration, expenses and fees in relation to advisory services paid to the fund manager.
Fund Manager	a person operating outside the Kingdom and working as a manager of a foreign fund.
Fund's Net Assets Value	For the purposes of the Investment Funds Regulations and the Real Estate Investment Funds Regulations, means, the Fund's Total Assets Value minus its liabilities.
Fund's Net Profit	For the purposes of the Real Estate Investment Funds Regulations, means the total revenues of the real estate investment fund after deducting the total expenses and fees incurred by the fund, except for the items of the other comprehensive income.
Invested Capital	The capital invested by unitholders.
Real Estate Investment Funds Regulation	The Real Estate Investment Funds Regulation issued by the Board of the Authority.
Shariah standards	Shariah standards approved by the Fund's Shariah Committee which determine the companies eligible to invest in.
Subscription Fee	Fees that are paid in advance when buying fund units.
Tadawul	The automated system for trading of Saudi shares.
The Fund	Bonyan REIT Fund, a publicly traded Shariah compliant closed end real estate investment fund.
The Kingdom	The Kingdom of Saudi Arabia
The Shariah Committee	A group of Shariah scholars appointed by the Fund Manager to provide advice on investment products compatible with the provisions of Islamic Shariah.
Unitholder or subscriber	A person who owns units in an investment fund or a real estate investment fund, which represents a common share in the net assets of the Fund.
Unit Price	The fund unit value, which is calculated by dividing the net assets of the fund by the total number of existing units.
Zakat Collection Rules for Investing in Investment Funds	The Zakat Collection Rules for Investing in Investment Funds issued pursuant to the Ministerial Resolution No. (29791) dated 09/05/1444H.

3 Fund Facts

Name	Bonyan REIT Fund is a publicly traded closed-ended real estate investment fund, compliant with the provisions of Islamic Shariah and has been established under the regulations and rules of the Kingdom of Saudi Arabia and the Capital Market Authority.
Currency	Saudi Riyal (SAR)
Risk Level	Medium to High Risk. Please read the Risks of Investing of these Terms and Conditions.
Type of Fund	A publicly traded closed ended real estate investment fund that is compliant with Shariah laws and is established in the Kingdom of Saudi Arabia under the Real Estate Investment Funds Regulations and the Real Estate Investment Traded Funds Instructions.
Duration of the Fund	The Fund has a duration of ninety-nine (99) years from the date of inception of the Fund's units. The Fund may be extended for a similar period after the approval of the Fund Board and the Capital Market Authority.
Investment Objectives of the Fund	<p>The Fund aims to invest in real estate in and out of Saudi Arabia. The objective is to be able to achieve periodic rental income by investing in income generating real estate assets and to distribute at least 90% of the annual net profit of the fund at the end of the second quarter and the end of the fourth quarter of each Gregorian year. The fund will abide by the following conditions:</p> <ul style="list-style-type: none"> ■ Invest at least 75% of the assets of the fund in income generating properties ■ The Fund will not invest in white lands ■ The Fund's investments outside the Kingdom of Saudi Arabia will not exceed 25% of fund assets
Minimum Subscription	SAR 1,000
Maximum Subscription	SAR 81,000,000
Cash Distributions	The Fund will distribute at least 90% of annual net profits, semi-annually at the end of the second quarter and the end of the fourth quarter of each Gregorian year.
Offering Period	The offering period will be for fifteen working days and will start from 29 Rajab 1439H (15 April 2018G) and end on 17 Shaban 1439H (03 May 2018).
Offering Size of the Fund	The size of the Fund is SAR 1,628,811,000 divided into 162,881,100 units with a value of 10 Riyals per unit. The Fund Manager will offer 65,152,440 units to the public at a price of SAR 10 per unit, accounting for 40% of the Fund's total units during the initial offering period.
Qualified Investors	<p>A) Natural persons who hold the Saudi nationality.</p> <p>B) Institutions, companies, investment funds and other legal entities and legal persons located in the Kingdom of Saudi Arabia.</p> <p>C) A qualified foreign investor is non-Gulf individuals who live outside the Kingdom and institutions registered outside the Gulf Cooperation Council countries that operate outside the Kingdom, and who are entitled to invest indirectly to obtain economic benefit from the fund units, based on the laws and regulations of the Capital Market Authority. and the law of Real Estate Ownership in Saudi Arabia.</p>
Subscription Fees	None.
Structuring Fees	1.5% of fund size, payable to the fund manager immediately upon completion of the offering period and inception of the fund.
Management Fees	0.50% per annum of net asset value after deduction of all expenses.
Custody Fees	<ul style="list-style-type: none"> ■ 0.025% of net asset value of the fund per annum ■ SAR 30,000 per annum for the Tax & Zakat certificate and financial statements. ■ SAR 60,000 at inception of the fund to establish a Special Purpose Vehicle (one-time payment).

Fund Valuation	Two times a year - at the end of the first half of each Gregorian year and the end of the second half of each Gregorian year, which corresponds to the 30-June and 31st-December of each Gregorian year.
Unit Price at Subscription	10 SAR.
Borrowings	The Fund may borrow in accordance with the provisions of Islamic Shariah. All borrowings must not exceed 50% of the gross value of the fund's assets, according to the latest audited financial statements.
Voting Rights	<p>Unitholders are entitled to vote at meetings of unit holders and to receive periodic reports. Unit holders have the right to approve any fundamental changes in the Fund. The following cases are considered a fundamental change:</p> <ul style="list-style-type: none"> ■ Any significant change in the Fund's objectives; ■ Any change that would have a negative and substantive impact on the owners of the units or on their rights in the Fund; ■ Any change that would have an impact on the fund's risk profile; and ■ Any increase in the capital of the Fund
Value-Added Tax	All fees, receivables and payables of the Fund will be subject to the payment of VAT. Furthermore, all amounts payable under these Terms and conditions, where applicable, will also be subject to VAT
Trading	Real estate Investment Traded Funds (REITs) are traded in the same way as shares in the Saudi market ("Tadawul").

Fund Guide		
Fund Manager & Offering Manager	 السعودي الفرنسي كابيتال Saudi Fransi Capital Distinguished Service, Outstanding Performance	Saudi Fransi Capital Head Office PO Box 23454 Riyadh 11426 Kingdom of Saudi Arabia 966 11 282 6666 www.sfc.sa
Property Manager	 بنيان السعودية Saudi Bonyan للإستثمار العقاري Real Estate Investment	Saudi Bonyan Company King Fahd Road PO Box: 9102 Riyadh: 11413 Kingdom of Saudi Arabia http://www.saudibonyan.com.sa
Third-party accounting administrator	 A P E X	Apex Investment Services (Dubai) Limited Apex Fund Services (Dubai) Limited Almakti 101, First Floor, Jet Village Dubai International Financial Center PO Box 506534 Dubai United Arab Emirates Website: www.apexfundsolutions.com
Custodian	 البلاد المالية Albilad Capital	AlBilad Capital Smart Tower – 1st Floor King Fahd Road PO Box: 036 Kingdom of Saudi Arabia www.albilad-capital.com
Legal Advisor	 مكتب سلمان بن متعب السديري للمحاماة	Salman Mutib AlSudairy Law Office Tatweer Tower 1 7th floor King Fahd Road PO Box: 17411 Riyadh: 11484 Kingdom of Saudi Arabia www.lw.com

Feasibility Consultant		Valustrat Sixth floor South Tower Faisaliah King Fahad Rd 966 11 293 5127 www.valustrat.com
Auditor		Price Waterhouse Coopers Kingdome Tower King Fahad Road - Riyadh P.O Box 8282, Riyadh 11482 Phone number: +966112110400 - Fax: +966112110401 Website: www.pwc.com/middle-east
Real Estate Appraiser		Knight Frank King Abdulaziz Rd Al Yasmeen District, Riyadh Kingdom of Saudi Arabia www.knightfrank.com.sa
Real Estate Appraiser		Valustrat Sixth floor South Tower Faisaliah King Fahad Rd 966 11 293 5127 www.valustrat.com
Real Estate Appraiser		Saudi Asset Valuation Company Kingdom of Saudi Arabia Almezan building 966 9200 0201 tathmen@tathmen.net
Regulator		Capital Market Authority King Fahd Road PO Box: 81717 Riyadh: 11642 Kingdom of Saudi Arabia www.cma.org.sa
Listing Exchange		Saudi Stock Market (Tadawul) Tawuniya North Tower King Fahd Road P.O.Box: 60612 - 11555 Riyadh Kingdom of Saudi Arabia www.tadawul.com.sa

4 Summary of the Offer

The following is a timetable showing the expected dates the date of commencement of units and until the commencement of trading units:

Event	Time Frame
Start date of Subscription	from 2018***
End date of Subscription	from 2018**
Subscription period	15 working days
Acquisition of real estate assets. and listing of funds unit on Tadawul	90 calendar days from the closing date of the subscription
Refund of surplus after participation in the fund and allocation of units	Allocation of units (10 working days after the end of subscription)
Refund of participants ' funds if the minimum required is not collected	Refund of surplus funds (5 working days after allocation)

5 Name and Type of Fund

Bonyan REIT Fund is a publicly traded closed-ended real estate investment fund, compliant with the provisions of Islamic Shariah and has been established under the regulations and rules of the Kingdom of Saudi Arabia and the Capital Market Authority.

6 Fund Manager Address and Website

Saudi Fransi Capital
Head Office: 8092 King Fahd Road,
PO Box 23454, Riyadh 11426, Kingdom of Saudi Arabia
Phone +966 11 282 6666
www.sfc.sa

7 Fund Duration

The Fund has a duration of ninety-nine (99) years from the date of inception of the Fund's units. The Fund may be extended for a similar period after the approval of the Fund Board and the Capital Market Authority.

8 Fund's Purpose and Objectives

- The Fund aims to invest in real estate in and out of Saudi Arabia. The objective is to be able to achieve periodic rental income by investing in income generating real estate assets and to distribute at least 90% of the annual net profit of the fund at the end of the second quarter and the end of the fourth quarter of each Gregorian year. The fund will abide by the following conditions:
 - Invest at least 75% of the assets of the fund in income generating properties
 - The Fund will not invest in white lands
 - The Fund's investments outside the Kingdom of Saudi Arabia will not exceed 25% of Fund assets
- The Fund aims to invest a minimum of 75% of its total assets, according to the latest audited financial statements, in developed properties that provide current rental income. The Fund aims to distribute at least 90% of the Fund's annual net profits in cash to unitholders on a semi-annual basis, at the end of the second quarter and the end of the fourth quarter of each Gregorian year. The Fund may invest up to 25% of the total value of the Fund's assets, according to the latest audited financial statements, in real estate development projects but the Fund will not invest in white lands.
- The Fund seeks to invest in income-generating real estate assets, whether commercial, residential, hotel or mixed-use assets, located in the Kingdom of Saudi Arabia. The Fund may invest outside the Kingdom, provided these investments do not exceed 25% of the total value of the Fund's assets according to the latest audited financial statements.
- The Fund aims to create an initial portfolio of 10 diversified real estate assets by acquiring 9 assets and signing 1 usufruct agreement, all of which will generate current rental income generating returns on invested capital in line with the Fund's investment strategy. The Fund can invest its assets in real estate development projects, provided the assets are not white lands. The Fund Manager acknowledges that the Fund's investments are free of any systemic irregularities, major engineering or other defects that may prevent or cause non-utilization or non-operation of the assets and affect the safety of the assets or cause any costly reforms and/or major changes.

9 Fund's Strategies

- a. A table illustrating the fields of investments that the Fund will be investing in, stating the minimum and maximum of the investment percentage.

Investment Type	The minimum percentage of the Fund's total assets in accordance to the latest audited financial statements	The maximum percentage of the Fund's total assets in accordance with the latest audited financial statements
Income-producing real estate assets in the Kingdom of Saudi Arabia	75%	100%
Income-generating real estate assets outside the Kingdom of Saudi Arabia	0%	25%
Utility contracts	0%	25%
Real Estate Under Development	0%	25%

- b. Description of the sector or sectors in which the Fund will invest.

The Fund seeks to invest in income-generating real estate assets, whether commercial, residential, hotel or mixed-use assets, located in the Kingdom of Saudi Arabia. The Fund may invest outside the Kingdom, provided these investments do not exceed 25% of the total value of the Fund's assets according to the latest audited financial statements.

- c. Detailed statement of the real estate assets.

The purchase price will be SAR 1,604,740,000 and details are as shown below.

Property	Ownership Status	Property Status	Location	Purchase Price (SAR)	Conditional Amount ⁽⁴⁾ (40% of Asset Value)	Expected Annual Rent for 2018 (SAR) ⁽¹⁾	% of Fund
Residential Sector							
AlRafiah Village	Owned	Developed	Riyadh	190,000,000	-	14,920,330	11.66%
AlMaather Complex	Owned	Developed	Riyadh	5,500,000	-	537,239	0.34%
City Walk Building 2B (69 units)	Owned	Developed	Dubai	273,000,000	-	10,247,473	16.76%
Hospitality Sector							
Courtyard Marriott	Owned	Developed	Jazan	90,000,000	-	6,309,944	5.52%
Residence Inn by Marriott	Owned	Developed	Jazan	55,500,000	-	3,998,153	3.41%
AlRashid Residences	Owned	Developed	Medina	42,600,000	28,400,000	7,078,426	2.62%
Commercial Centers							
AlRashid Mall	Owned	Developed	Jazan	206,000,000	-	15,646,293	12.65%
AlRashid Mega Mall	Owned	Developed	Medina	505,500,000	-	32,824,933	31.03%
AlRashid Mall	Usufruct	Developed	Abha	223,200,000	148,800,000	34,583,966	13.70%
AlRashid Strip Mall	Owned	Developed	Riyadh	13,440,000	8,960,000	1,642,957 ⁽²⁾	0.83%

Total	1,604,740,000	186,160,000	127,789,714 ⁽³⁾	98.5%
Capital structure fees	24,071,000			1.5%
Total size of fund	1,628,811,000			100%

Note 1: These are expected numbers based on the feasibility report done by Valustrat.

Note 2: There is no lease contract for this asset and the figure is an estimate based on the workings done by Valustrat.

Note 3: These figures include all profits of 2018 but the Fund will be entitled to these profits from the date of establishment of the Fund and the transfer of ownership of assets to the Fund.

Note 4: The conditional amounts will be paid when certain agreed occupancy targets for the respective properties are met. The said assets are considered as new assets (only started in 2017) and hence do not have an operational history. The targets related to respective properties are as follows:

- Al Rashid Mall Abha: The remaining amount of SAR 148,800,000 will be paid within 18 months after the occupancy rate of the mall has reached 90%.
- Al Rashid Strip Mall: The remaining amount of SAR 8,960,000 will be paid within 18 months after the occupancy rate of the mall reaches 90%.
- Al Rashid Residences: The remaining amount SAR 28,400,000 will be paid within 18 months after the occupancy rate reaches an average of 75% for a period of six (6) consecutive months.

Property 1 - AlRashid Mega Mall Madinah (Owned): A shopping mall in Madinah. The mall consists of four (4) floors. The mall has more than 250 stores including clothing, food, beverages and other services such as entertainment as well as many restaurants. It features a hypermarket on 7,825 square meters. The main tenants include Carrefour, Abdul Mohsen Al Hokair, Abdul Mohsen Al Abdulkarim Company, Al Humaidhi for Watches And Jewelry, Damas Saudi Arabia Limited, Alshaya International Trading Company. It is the largest shopping mall in the city of Madinah.

Property 2 - Al Rashid Mall Abha (Usufruct): It is a commercial complex (mall) in the city of Abha and is located on King Fahad Road. It consists of two floors. The mall has more than 200 stores of brands and specialty stores including clothing, food, restaurants, and other services as well as many fashion, perfumes and cosmetics brands. It also has a hypermarket on an area of 4,694 square meters. Major tenants include Azizia Panda United Company, Abdullah Al Othaim Company for Tourism and Entertainment, Alshaya International Trading Company, Kamal Osman Jamjoom Company and Landmark Arabia Company.

The usufruct agreement with Abdulrahman Saad Al Rashid & Sons Company is valued at SAR 372,000,000 for a period of 20 years. An amount of SAR 223,200,000 will be paid at the establishment of the Fund while the conditional amount of SAR 148,800,000 will be paid within 18 months of the date when the mall reaches an occupancy rate of 90%. This arrangement is made because this is a new asset and has no operational history. The Fund Manager has the right to purchase the property during the first 5 years of signing of this contract for an amount of a SAR 110 million provided the real estate asset is on its own title deed. The commercial complex is located on a large piece of land (220,182.75 m²) which is currently under a single title deed.

Property 3 - Al Rashid Mall Jazan (Owned): A shopping mall in Jazan. The mall consists of 3 floors. The mall has more than 200 stores including clothing, food, beverages and other services such as entertainment as well as more than restaurants. It features a hypermarket on 4,387 square meters and an indoor entertainment arena. The main tenants include Al Azizia Panda United Company, Abdul Mohsen Al Hokair Company for Tourism and Development, Arabian Oud Company, Kamal Osman Jamjoom Company, Dar Al Dhiyafa Food Services Company and United Foods Company.

Property 4 – Al Rashid Strip Mall (Owned): It is a commercial complex in the city of Riyadh in the Narjis District located on Othman bin Affan Road opposite the housing for the Institute of Public Administration. The complex consists of seven large stores/showrooms with and ATM and a parking lot.

Property 5 – Courtyard Marriott Hotel (4 Stars) (Owned): It is a four-star hotel located in the center of Jazan, close to the commercial district and Jazan Corniche. Courtyard Marriott is connected to Al Rashid Mall. It has 129 rooms, a health club with an indoor swimming pool, a fitness center and many services. There are meeting rooms for more than 170 people. This type of asset has an operator and is fully dependent on the daily occupancy rate and not on any specific tenant of the asset.

Property 6 – Residence Inn by Marriott (4 Star Apartments) (Owned): This is a 4-star apartment hotel located in the center of Jazan, close to the commercial district and Jazan Corniche. It is connected to Al Rashid Mall. It has 79 apartments, a health club with indoor swimming pool, fitness center and many services. There is also meeting rooms for more than 180 people with its own parking lot. This type of asset has an operator and is fully dependent on the daily occupancy rate and not on any specific tenant of the asset.

Property 7 – Al Rashid Residences (5 Star Apartments) (Owned): This is a 5-star apartment hotel in Madinah and connected to Al Rashid Mega Mall. It has 66 apartments, a health club with indoor swimming pool, fitness center and many services. This type of asset has an operator and is fully dependent on the daily occupancy rate and not on any specific tenant of the asset.

Property 8 – Citywalk Residential Building - Dubai (Owned): The City Walk Residential Building 2B overlooking the Burj Khalifa, consists of 69 residential units ranging from 1 room to 4 room units with many services such as swimming pool, fitness center and places to relax and security services around the clock and parking for each residential unit.

Property 9 – Al Rafiah Village (Owned): A residential complex located in Al-Rafiah District near the Diplomatic Quarter in Riyadh. It consists of 102 housing units that vary in size ranging from villas containing 1 to 4 rooms, in addition to some services such as the health club, swimming pool, tennis court, football court, squash court, basketball court, beauty salon and outdoor playgrounds.


Property 10 – Al Maather Villas Complex (Owned): A residential complex (compound) in the city of Riyadh in the neighborhood of Maather near King Faisal Specialist Hospital. It consists of seven (7) residential villas in addition to some services such as a common indoor pool.

Property 11 – AlSahafa Office Building (Owned): An office tower in the city of Riyadh in Al-Sahafa neighborhood near the Rafal Tower on Olaya road. It consists of 8.5 office floors in addition to two parking floors in the basement level.

Property 12 – AlGhadeer Office Building (Owned): An office building in the city of Riyadh in Al-Ghadeer neighborhood near King Abdullah Financial City on Al-Sail Al-Kabeer Road. It consists of 3.5 office floors in addition to a parking floor in the basement level.

d. Schedule of the following information for each real estate

Property 1 - Commercial Sector

Name of Property	Al Rashid Mega Mall Madinah
Property Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Property Type	Commercial Complex (Mall)
Province/City	Medina Province/Madinah
Neighborhood/Street	King Abdullah Road - Second Ring Road
Location (Croquis) Map	
Land Area ⁽¹⁾	Part of a land with a land area of 64,000 m ²
Built Up Area	115,795 m ²
Number of floors	4 floors

Types and Number of Units	Mall contains commercial stores, restaurants and other services of various sizes.
Occupancy Rate of Property	92%
Completion Date of Building Construction ⁽²⁾	March 2008
Cost of Purchasing the Property	SAR 505,500,000

Note 1: The asset acquired is located on land with an area of 64,000 m² and includes two real estate assets: Al Rashid Mega Mall Madinah and Al Rashid Residences.

Note 2: There is no building certificate for the real estate asset but the Fund Manager undertakes to extract it within the next 12 months and if not, the Fund Manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability.

Lease Contracts (as of November 30 2017)

Current Leases	There are 240 leasing contracts.
Main Tenants	Carrefour, Abdul Mohsen Al Hokair, Abdul Mohsen Al Abdul Karim Company, Al Humaidhi Watches & Jewelry Co., Damas Saudi Arabia Ltd., H&M, Paris Gallery and Home Center. There are also many different brands that include clothing, food, beverages and other services.
Duration of Contracts	The average duration of leases is about 3 years with leases ranging from 1 year to 20 contractual years.
Sub-Leasing	The Lessee shall not be entitled to rent or give in whole or in part this contract to third parties.
Termination of Contracts	If the lessee wants to terminate the contract then they have to pay the full value of the lease. The parties may choose not to renew the contract as long as the other party is notified no later than 60 days before expiry of the lease. The owner may terminate all contracts with notice to the tenant in the case of violation by the tenant of the terms of the contract.
Applicable Law	Laws and regulations of the Kingdom of Saudi Arabia.

Details of Lease Contracts (as of November 30 2017)

Type of contract	Actual Rent (SAR)	Number of Contracts	Rental Area (m ²)	Price per Meter (SAR)
Centers (large shops)	11,224,544	10	32,195	349
Restaurants	9,854,035	63	3,204	3,075
Line shops	21,785,379	120	11,937	1,825
Other Services (e.g. ATM, billboards)	6,347,000	47	-	-
Total current rents	49,210,958	240	47,637	
The maximum amount that the Fund Manager can obtain in case the property is fully leased	50,496,608			
Occupancy ratio	99.4%			

Long Term Lease Contracts (as of November 30 2017)

	More than 3 years	More than 10 years
Rental Area (m ²)	6,359	28,397
Percentage of rental area (m ²)	13%	60%
Number of contracts	16	10
Average duration of the contract from the beginning of the contract until the end (years)	5.0	13.3
Average duration remaining till end of contract (years)	3.0	6.1

Note 1: In respect of short-term contracts, these contracts are for 1 year and will be renewed automatically unless the parties wish not to renew.

Rental Income for the last 3 years

	2015	2016	2017 ⁽¹⁾
Rental income (SAR)	31,548,553	32,884,855	33,686,576

Note 1: The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).

Target Returns for the next 3 years ⁽¹⁾

	2018	2019	2020
Rental Income (SAR)	50,892,123	51,871,896	52,876,022
Net Operating income ⁽²⁾	32,824,933	33,367,652	33,923,806
Net Operating Yield	6.49%	6.60%	6.71%

Note 1: Forecasted figures provided by the independent feasibility consultant (Valustrat).

Note 2: The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Additional Information


Property Summary	A shopping mall in Madinah. The mall consists of 4 floors. The mall has more than 250 stores including clothing, food, beverages and other services such as entertainment as well as many restaurants. It features a hypermarket on 7,825 square meters. The main tenants include Carrefour, Abdul Mohsen Al Hokair, Abdul Mohsen Al Abdulkarim Company, Al Humaidhi for Watches And Jewelry, Damas Saudi Arabia Limited, Alshaya International Trading Company. It is the largest shopping mall in the city of Madinah.
Date of Initial Operations	July 2008
Construction Age	9 years from date of initial operations

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<ul style="list-style-type: none"> ■ The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose. ■ The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements. ■ The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract. ■ The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager. ■ The property manager is entitled to a fee of 5% of the net revenues for his services.

Property 2 – Commercial Sector

Name of Property	Al Rashid Mall Abha (Usufruct)
Property Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Property Type	Commercial Complex (Mall)
Province/City	Asir Province/Abha

Neighborhood/Street	King Fahd Road
Location (Croquis) Map	
Land Area	78,602.12 m ²
Built Up Area	139,355.45 m ²
Number of floors	2 floors
Types and Number of Units	Mall contains commercial stores, restaurants and other services of various sizes.
Occupancy Rate of Property	95%
Completion Date of Building Construction ⁽¹⁾	September 2017
Cost of Purchasing the Property	SAR 223,200,000

Note 1: There is no building certificate for the real estate asset but the Fund Manager undertakes to extract it within the next 12 months and if not, the Fund Manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability.

Lease Contracts (as of November 30 2017)

Current Leases	There are 193 leasing contracts.
Main Tenants	Al Azizia Panda United Co., Abdullah Al Othaim Tourism & Leisure Company, Alshaya International Trading Co., Kamal Othman Jamjoom Company, Land Mark Arabia Company. There are also many different brands that include clothing, food, beverages and other services.
Duration of Contracts	The average duration of leases is about 3 years with leases ranging from 1 year to 20 contractual years.
Sub-Leasing	The Lessee shall not be entitled to rent or give in whole or in part this contract to third parties.
Termination of Contracts	If the lessee wants to terminate the contract then they have to pay the full value of the lease. The parties may choose not to renew the contract as long as the other party is notified no later than 60 days before expiry of the lease. The owner may terminate all contracts with notice to the tenant in the case of violation by the tenant of the terms of the contract.
Applicable Law	Laws and regulations of the Kingdom of Saudi Arabia.

Details of Lease Contracts (as of November 30 2017)

Type of contract	Actual Rent (SAR)	Number of Contracts	Rental Area (m ²)	Price per Meter (SAR)
Centers (large shops)	10,598,110	5	20,421	519
Restaurants	8,805,558	52	3,168	2,780
Line shops	22,060,396	110	15,902	1,387
Offices	827,458	2	1,425	581
Other Services (e.g. ATM, billboards)	2,990,000	24	-	-
Total current rents	45,281,522	193	55,722	-
The maximum amount that the Fund Manager can obtain in case the property is fully leased	55,877,747			
Occupancy ratio	77.6%			

Long Term Lease Contracts (as of November 30 2017)

	More than 3 years	More than 10 years
--	-------------------	--------------------

Rental Area (m ²)	16,491	13,174
Percentage of rental area (m ²)	31%	25%
Number of contracts	38	6
Average duration of the contract from the beginning of the contract until the end (years)	5.3	15.5
Average duration remaining till end of contract (years)	5.3	14.7

Note 1: In respect of short-term contracts, these contracts are for 1 year and will be renewed automatically unless the parties wish not to renew.

Rental Income for the last 3 years

	2015	2016	2017 ⁽¹⁾
Rental income (SAR)	-	-	4,293,500

Note 1: The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).

Target Returns for the next 3 years ⁽¹⁾

	2018	2019	2020
Rental Income (SAR)	51,054,313	56,544,116	58,219,977
Net Operating income ⁽²⁾	34,583,966	39,451,337	40,686,766
Net Operating Yield	9.30%	10.61%	10.94%

Note 1: Forecasted figures provided by the independent feasibility consultant (Valustrat).

Note 2: The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Additional Information

Property Summary	<p>It is a commercial complex (mall) in the city of Abha and is located on King Fahad Road. It consists of two floors. The mall has more than 200 stores of brands and specialty stores including clothing, food, restaurants, and other services as well as many fashion, perfumes and cosmetics brands. It also has a hypermarket on an area of 4,694 square meters. Major tenants include Azizia Panda United Company, Abdullah Al Othaim Company for Tourism and Entertainment, Alshaya International Trading Company, Kamal Osman Jamjoom Company and Landmark Arabia Company.</p> <p>The usufruct agreement with Abdulrahman Saad Al Rashid & Sons Company is valued at SAR 372,000,000 for a period of 20 years. An amount of SAR 223,200,000 will be paid at the establishment of the Fund while the conditional amount of SAR 148,800,000 will be paid within 18 months of the date when the mall reaches an occupancy rate of 90%. This arrangement is made because this is a new asset and has no operational history. The Fund Manager has the right to purchase the property during the first 5 years of signing of this contract for an amount of a SAR 110 million provided the real estate asset is on its own title deed. The commercial complex is located on a large piece of land (220,182.75 m²) which is currently under a single title deed.</p>
Date of Initial Operations	November 2017
Construction Age	4 months from date of initial operations
Usufruct Agreement Details	The usufruct agreement is for 20 years and is purchased directly from the owner without any sublease. The agreement gives the Fund full use and benefit of the real estate asset.
Conditional Amount	The value of the usufruct agreement was determined by Saudi Fransi Capital Company to be SAR 372,000,000 but due to the asset being new with no

Property Management

Property 3 – Commercial Sector

Page 16 of 80

Note 1: The asset acquired is located on land with an area of 40,000 m² and includes three real estate assets: Al Rashid Mall Jazan, Courtyard Marriot, Residence Inn.

Note 2: There is no building certificate for the real estate asset but the Fund Manager undertakes to extract it within the next 12 months and if not, the Fund Manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability.

Lease Contracts (as of November 30 2017)

Current Leases	There are 207 leasing contracts.
Main Tenants	Al Azizia Panda United Co., Abdul Mohsen Al Hokair Company for Tourism and Development, Arabian Oud Company, Kamal Osman Jamjoom Company, Dar Al Dhiyafa Food Services Company, United Foods Company, H&M. There are also many different brands that include clothing, food, beverages and other services.
Duration of Contracts	The average duration of leases is about 3 years with leases ranging from 1 year to 20 contractual years.
Sub-Leasing	The Lessee shall not be entitled to rent or give in whole or in part this contract to third parties.
Termination of Contracts	If the lessee wants to terminate the contract then they have to pay the full value of the lease. The parties may choose not to renew the contract as long as the other party is notified no later than 60 days before expiry of the lease. The owner may terminate all contracts with notice to the tenant in the case of violation by the tenant of the terms of the contract.
Applicable Law	Laws and regulations of the Kingdom of Saudi Arabia.

Details of Lease Contracts (as of November 30 2017)

Type of contract	Actual Rent (SAR)	Number of Contracts	Rental Area (m ²)	Price per Meter (SAR)
Centers (large shops)	5,918,096	5	16,287	363
Restaurants	4,132,417	57	1,414	2,923
Line shops	16,832,735	124	10,444	1,612
Other Services (e.g. ATM, billboards)	1,647,000	21	-	-
Total current rents	28,530,248	207	28,145	-
The maximum amount that the Fund Manager can obtain in case the property is fully leased	29,011,335			
Occupancy ratio	98.9%			

Long Term Lease Contracts (as of November 30 2017)

	More than 3 years	More than 10 years
Rental Area (m ²)	4,288	14,522
Percentage of rental area (m ²)	15%	51%
Number of contracts	16	8
Average duration of the contract from the beginning of the contract until the end (years)	5.9	13.7
Average duration remaining till end of contract (years)	4.1	7.1

Note 1: In respect of short-term contracts, these contracts are for 1 year and will be renewed automatically unless the parties wish not to renew.

Rental Income for the last 3 years

	2015	2016	2017 ⁽¹⁾
Rental income (SAR)	15,640,455	14,964,361	16,725,453

Note 1: The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).

Target Returns for the next 3 years ⁽¹⁾

	2018	2019	2020
Rental Income (SAR)	28,455,168	29,532,713	30,111,515
Net Operating income ⁽²⁾	15,646,293	16,385,308	16,643,401
Net Operating Yield	7.60%	7.95%	8.08%

Note 1: Forecasted figures provided by the independent feasibility consultant (Valustrat).

Note 2: The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Additional Information


Property Summary	A shopping mall in Jazan. The mall consists of 3 floors. The mall has more than 200 stores including clothing, food, beverages and other services such as entertainment as well as more than restaurants. It features a hypermarket on 4,387 square meters and an indoor entertainment arena. The main tenants include Al Azizia Panda United Company, Abdul Mohsen Al Hokair Company for Tourism and Development, Arabian Oud Company, Kamal Osman Jamjoom Company, Dar Al Dhiyafa Food Services Company and United Foods Company.
Date of Initial Operations	August 2010
Construction Age	7 years from date of initial operations

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<ul style="list-style-type: none"> ■ The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose. ■ The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements. ■ The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract. ■ The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager. ■ The property manager is entitled to a fee of 5% of the net revenues for his services.

Property 4 – Commercial Sector

Name of Property	Al Rashid Strip Mall (Owned)
Property Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Property Type	Commercial Complex (Mall)
Province/City	Riyadh Province/Riyadh
Neighborhood/Street	Al-Narjis/Othman Bin Affan Road

Location (Croquis) Map	
Land Area	Part of a land with a total area of 40,000 m ²
Built Up Area	5,100 m ²
Number of floors	1 floor
Types and Number of Units	Seven (7) large stores/showrooms
Occupancy Rate of Property ⁽¹⁾	0%
Completion Date of Building Construction ⁽²⁾	October 2017
Cost of Purchasing the Property	SAR 13,440,000

Note 1: No contracts have been signed as of date and the Fund Manager does not guarantee renting the property to one or more tenants.

Note 2: The building certificate was issued on 18 Ramadan 1438H with the number 4311/1438.

Lease Contracts (as of November 30 2017)

Current Leases	There are currently no leases.
Main Tenants	
Duration of Contracts	
Sub-Leasing	
Termination of Contracts	
Applicable Law	

Details of Lease Contracts (as of November 30 2017)

Type of contract	Actual Rent (SAR)	Number of Contracts	Rental Area (m ²)	Price per Meter (SAR)
Centers (large shops)				
Restaurants				
Line shops				
Other Services (e.g. ATM, billboards)				
Total current rents				
The maximum amount that the Fund Manager can obtain in case the property is fully leased				
Occupancy ratio				

Long Term Lease Contracts (as of November 30 2017)

	More than 3 years	More than 10 years
Rental Area (m ²)		
Percentage of rental area (m ²)		
Number of contracts		
Average duration of the contract from the beginning of the contract until the end (years)		
Average duration remaining till end of contract (years)		

Note 1: In respect of short-term contracts, these contracts are for 1 year and will be renewed automatically unless the parties wish not to renew.

Rental Income for the last 3 years

	2015	2016	2017 ⁽¹⁾
Rental income (SAR)			

Note 1: The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).

Target Returns for the next 3 years ⁽¹⁾

	2018	2019	2020
Rental Income (SAR)	1,900,000	1,900,000	2,100,000
Net Operating income ⁽²⁾	1,642,957	1,642,867	1,832,776
Net Operating Yield	7.33%	7.33%	8.18%

Note 1: Forecasted figures provided by the independent feasibility consultant (Valustrat).

Note 2: The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Additional Information

Property Summary	It is a commercial complex in the city of Riyadh in the Narjis District located on Othman bin Affan Road opposite to the housing for the Institute of Public Administration. The complex consists of seven large stores/showrooms with and ATM and a parking lot.
Date of Initial Operations	Nothing to date
Construction Age	10 months

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<ul style="list-style-type: none"> ■ The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose. ■ The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements. ■ The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract. ■ The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager. ■ The property manager is entitled to a fee of 5% of the net revenues for his services.

Property 5 – Hospitality Sector

Name of Property	Courtyard Marriott Hotel (4 Stars) (Owned)
------------------	--

Property Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Property Type	Four-star hotel
Province/City	Jizan Province/Jazan
Neighborhood/Street	Al-Rawdah/King Fahd Road
Location (Croquis) Map	
Land Area ⁽¹⁾	Part of a land with a land area of 40,000 m ²
Built Up Area	50,000 m ²
Number of floors	6 floors
Types and Number of Units	129 rental units
Occupancy Rate of Property ⁽²⁾	39%
Completion Date of Building Construction ⁽³⁾	October 2013
Cost of Purchasing the Property	SAR 90,000,000

Note 1: The asset acquired is located on land with an area of 40,000 m² and includes three real estate assets: Al Rashid Mall Jazan, Courtyard Marriot, and Residence Inn.

Note 2: The Fund Manager states that this figure is based on a study conducted by the independent feasibility study consultant, Valustrat. The Fund Manager shall not guarantee the accuracy of this figure and this number is as of 30 November 2017.

Note 3: There is no building certificate for the real estate asset but the Fund Manager undertakes to extract it within the next 12 months and if not, the Fund Manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability.

Operating Contracts

Current Operating Contract	Luxury Hotels International Management Company BV - a subsidiary of Marriott International.
Current Operator	The operator of the hotel is responsible for the management and operations of the hotel under a contract. The operator's responsibilities include recruitment, supervision of all employees and pricing of services provided by the hotel, the development of all policies and procedures for monitoring revenues and expenses, maintenance of hotel bank accounts, insurance of all stocks and assets, maintaining all accounting records, supervising all repairs and maintenance, providing risk management services related to loss prevention and insurance, provision of services, food and beverages, procuring and maintaining all operating licenses and statutory permits, negotiating leases and licenses for shops within the hotel, responsible for all other activities necessary to operate and manage the hotel.
Duration of Contracts	The duration of the contract is 20 years, starting from 29 August 2010. After the expiration of the period, the period will automatically be renewed for two periods of 5 years each unless the owner or the operator notify in writing that they do not wish to renew it at least 300 days before the end of the initial period or renewal period.
Assignment / Novation	Neither party may redraft or sell this Agreement without the prior consent of the other party, except under very specific circumstances as specified in the contract.
Termination of Contract	Each party has the right to terminate the contract, if a clear reason is provided to the other party.

Applicable Law ⁽¹⁾	The Agreement is governed by the laws of the United Kingdom and any dispute arising through litigation will be heard at the London International Arbitration Center located at the Dubai Financial Center.
-------------------------------	--

Note 1: Refer to the laws of the United Kingdom and any dispute arising through the arbitration at the London International Arbitration Center located at the Dubai Financial Center. Any case shall be settled as applicable in the market in respect of international companies.

Rental Income for the last 3 years

	2015	2016	2017 ⁽¹⁾
Rental income (SAR)	31,038,085	23,440,635	20,483,438
Operating Income (SAR) ⁽²⁾	10,360,439	5,257,228	4,667,210
Operating Yield ⁽³⁾	11.51%	5.84%	5.19%

Note 1: The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).

Note 2: Real estate asset includes operating expenses, but not limited to the expenses of workers' salaries, bills of electricity and water, security expenses and maintenance expenses, as well as operating fees and property management fees.

Note 3: The hotel occupancy rate was impacted by the political situation in the south of the Kingdom of Saudi Arabia.

Target Returns for the next 3 years ⁽¹⁾

	2018	2019	2020
Rental Income (SAR)	25,142,457	26,559,315	28,731,110
Operating income ⁽²⁾	6,309,944	6,558,660	7,340,264
Operating Yield	7.01%	7.29%	8.16%

Note 1: Forecasted figures provided by the independent feasibility consultant (Valustrat).

Note 2: The real estate asset includes operating expenses, including but not limited to employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Additional Information


Property Summary	It is a four-star hotel located in the center of Jazan, close to the commercial district and Jazan Corniche. Courtyard Marriott is connected to Al Rashid Mall. It has 129 rooms, a health club with an indoor swimming pool, a fitness center and many services. There are meeting rooms for more than 170 people. This type of asset has an operator and is fully dependent on the daily occupancy rate and not on any specific tenant of the asset.
Date of Initial Operations	November 2013
Construction Age	4 years

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<ul style="list-style-type: none"> The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.

	<ul style="list-style-type: none"> ■ The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements. ■ The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract. ■ The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager. ■ The property manager is entitled to a fee of 1% of net operating income for his services.
--	---

Property 6 – Hospitality Sector

Name of Property	Residence Inn by Marriott (4 Star Apartments) (Owned)
Property Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Property Type	Four-star apartment hotel
Province/City	Jizan Province/Jazan
Neighborhood/Street	Al-Rawdah/King Fahd Road
Location (Croquis) Map	
Land Area ⁽¹⁾	Part of a land with a land area of 40,000 m ²
Built Up Area	50,000 m ²
Number of floors	6 floors
Types and Number of Units	79 hotel apartments
Occupancy Rate of Property ⁽²⁾	60%
Completion Date of Building Construction ⁽³⁾	October 2014
Cost of Purchasing the Property	SAR 55,500,000

Note 1: The asset acquired is located on land with an area of 40,000 m² and includes three real estate assets: Al Rashid Mall Jazan, Courtyard Marriot, and Residence Inn.

Note 2: The Fund Manager states that this figure is based on a study conducted by the independent feasibility study consultant, Valustrat. The Fund Manager shall not guarantee the accuracy of this figure and this number is as of 30 November 2017.

Note 3: There is no building certificate for the real estate asset but the Fund Manager undertakes to extract it within the next 12 months and if not, the Fund Manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability.

Operating Contracts

Current Operating Contract	Luxury Hotels International Management Company BV - a subsidiary of Marriott International.
----------------------------	---

Current Operator	The operator of the hotel is responsible for the management and operations of the hotel under a contract. The operator's responsibilities include recruitment, supervision of all employees and pricing of services provided by the hotel, the development of all policies and procedures for monitoring revenues and expenses, maintenance of hotel bank accounts, insurance of all stocks and assets, maintaining all accounting records, supervising all repairs and maintenance, providing risk management services related to loss prevention and insurance, provision of services, food and beverages, procuring and maintaining all operating licenses and statutory permits, negotiating leases and licenses for shops within the hotel, responsible for all other activities necessary to operate and manage the hotel.
Duration of Contracts	The duration of the contract is 20 years, starting from 29 August 2010. After the expiration of the period, the period will automatically be renewed for two periods of 5 years each unless the owner or the operator notify in writing that they do not wish to renew it at least 300 days before the end of the initial period or renewal period.
Assignment / Novation	Neither party may redraft or sell this Agreement without the prior consent of the other party, except under very specific circumstances as specified in the contract.
Termination of Contract	Each party has the right to terminate the contract, if a clear reason is provided to the other party.
Applicable Law ⁽¹⁾	The Agreement is governed by the laws of the United Kingdom and any dispute arising through litigation will be heard at the London International Arbitration Center located at the Dubai Financial Center.

Note 1: Refer to the laws of the United Kingdom and any dispute arising through the arbitration at the London International Arbitration Center located at the Dubai Financial Center. Any case shall be settled as applicable in the market in respect of international companies.

Rental Income for the last 3 years

	2015	2016	2017 ⁽¹⁾
Rental income (SAR)	10,220,835	11,815,089	12,282,208
Operating Income (SAR) ⁽²⁾	3,591,794	4,562,946	4,135,454
Operating Yield	6.47%	8.22%	7.45%

Note 1: The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).

Note 2: Real estate asset includes operating expenses, but not limited to the expenses of workers' salaries, bills of electricity and water, security expenses and maintenance expenses, as well as operating fees and property management fees.

Target Returns for the next 3 years ⁽¹⁾

	2018	2019	2020
Rental Income (SAR)	12,565,777	13,178,195	13,374,171
Operating income ⁽²⁾	3,998,153	4,236,956	4,280,744
Operating Yield	7.20%	7.63%	7.71%

Note 1: Forecasted figures provided by the independent feasibility consultant (Valustrat).

Note 2: The real estate asset includes operating expenses, including but not limited to employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Additional Information


Property Summary	This is a 4-star apartment hotel located in the center of Jazan, close to the commercial district and Jazan Corniche. It is connected to Al Rashid Mall. It has 79 apartments, a health club with indoor swimming pool, fitness center and many services. There is also meeting rooms for more than 180 people with its own parking lot. This type of asset has an operator and is fully dependent on the daily occupancy rate and not on any specific tenant of the asset.
------------------	---

Date of Initial Operations	November 2014
Construction Age	3 years

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<ul style="list-style-type: none"> ■ The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose. ■ The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements. ■ The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract. ■ The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager. ■ The property manager is entitled to a fee of 1% of net operating income for his services.

Property 7 – Hospitality Sector

Name of Property	Al Rashid Residences (5 Star Apartments) (Owned)
Property Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Property Type	Five-star apartment hotel
Province/City	Medina Province/Madinah
Neighborhood/Street	King Abdullah Road – Second Ring
Location (Croquis) Map	
Land Area ⁽¹⁾	part of a land with a land area of 64,000 m ²
Built Up Area	50,000 m ²
Number of floors	3 floors
Types and Number of Units	66 hotel apartments
Occupancy Rate of Property ⁽²⁾	50%
Completion Date of Building Construction ⁽³⁾	July 2017

Cost of Purchasing the Property	SAR 42,600,000
---------------------------------	----------------

Note 1: The asset acquired is located on land with an area of 64,000 m2 and includes two real estate assets: Al Rashid Mega Mall Madinah and Al Rashid Residences.

Note 2: The Fund Manager states that this figure is based on a study conducted by the independent feasibility study consultant, Valustrat. The Fund Manager shall not guarantee the accuracy of this figure and this number is as of 30 November 2017.

Note 3: There is no building certificate for the real estate asset but the Fund Manager undertakes to extract it within the next 12 months and if not, the Fund Manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability.

Operating Contracts

Current Operating Contract	Luxury Hotels International Management Company BV - a subsidiary of Marriott International.
Current Operator	The operator of the hotel is responsible for the management and operations of the hotel under a contract. The operator's responsibilities include recruitment, supervision of all employees and pricing of services provided by the hotel, the development of all policies and procedures for monitoring revenues and expenses, maintenance of hotel bank accounts, insurance of all stocks and assets, maintaining all accounting records, supervising all repairs and maintenance, providing risk management services related to loss prevention and insurance, provision of services, food and beverages, procuring and maintaining all operating licenses and statutory permits, negotiating leases and licenses for shops within the hotel, responsible for all other activities necessary to operate and manage the hotel.
Duration of Contracts	The duration of the contract is 10 years, starting from 24 July 2017. After the expiration of the period, the period will automatically be renewed for two periods of 5 years each unless the owner or the operator notify in writing that they do not wish to renew it at least 300 days before the end of the initial period or renewal period.
Assignment / Novation	Not Allowed.
Termination of Contract	Each party has the right to terminate the contract, if a clear reason is provided to the other party.
Applicable Law	Laws and regulations of the Kingdom of Saudi Arabia.

Rental Income for the last 3 years

	2015	2016	2017 ⁽¹⁾
Rental income (SAR)	-	-	1,420,187

Note 1: The figures for the year 2017 are effective until November and the figures for December is a forecast, which was done by the independent feasibility study consultant (Valustrat).

Target Returns for the next 3 years ⁽¹⁾

	2018	2019	2020
Rental Income (SAR)	13,900,990	14,603,960	15,346,535
Operating income ⁽²⁾	7,078,426	7,441,840	7,825,895
Operating Yield	9.97%	10.48%	11.02%

Note 1: Forecasted figures provided by the independent feasibility consultant (Valustrat).

Note 2: The real estate asset includes operating expenses, including but not limited to employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.


Additional Information

Property Summary	This is a 5-star apartment hotel in Madinah and connected to Al Rashid Mega Mall. It has 66 apartments, a health club with indoor swimming pool, fitness center and many services. This type of asset has an operator and is fully dependent on the daily occupancy rate and not on any specific tenant of the asset.
Date of Initial Operations	August 2017
Construction Age	1 year

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<ul style="list-style-type: none"> ■ The property manager is responsible for the full management of the property which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose. ■ The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements. ■ The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract. ■ The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager.

Property 8 – Residential Sector

Name of Property	Citywalk Residential Building - Dubai (Owned)
Property Owner	Artar Real Estate Development LLC owned by Abdulrahman Saad Al Rashid 99% and Sulaiman Abdul Rahman Al Rashid 1%
Property Type	Apartment Building
Province/City	Dubai/Dubai
Neighborhood/Street	City Walk/Al-Wasl
Location (Croquis) Map	
Land Area	12,085 m ²
Built Up Area	149,162 m ²
Number of floors	8 floor

Types and Number of Units	69 residential units
Occupancy Rate of Property	64% (rented during the last two months only)
Completion Date of Building Construction ⁽¹⁾	February 2017
Cost of Purchasing the Property	SAR 273,000,000

Note 1: The building certificate was issued by Dubai Municipality.

Lease Contracts (as of November 30 2017)

Current Leases	There are 44 leasing contracts for 44 units
Main Tenants	There are 40 contract signed with individuals and 4 contracts were signed with companies for their employees
Annual Rent in 2018 ⁽¹⁾	AED 7,892,671 including re for SAR 8,057,173
Duration of Contracts	All contracts are annual contracts, renewable upon mutual agreement between the property owner and the tenant – all contracts are disclosed in Appendix 2 of these Terms and Conditions.
Sub-Leasing	Not allowed
Termination of Contracts	The tenant may terminate the lease by paying two-month rent, and the lessor may terminate the contract according to the regulations and laws in force by the Government of Dubai.
Applicable Law	Dubai Land Department

Note 1: These figures will be reflected in the Fund's income for 2018.

Rental Income for the last 3 years ⁽¹⁾

	2015	2016	2017 ⁽¹⁾
Rental income (SAR)	-	-	-

Note 1: The property was established in 2017 and has no operational history.

Target Returns for the next 3 years ⁽¹⁾

	2018	2019	2020
Rental Income (SAR)	14,220,006	14,575,506	15,304,282
Net Operating income ⁽²⁾	10,247,473	10,518,879	11,143,542
Net Operating Yield	3.75%	3.85%	4.08%

Note 1: Forecasted figures provided by the independent feasibility consultant (Valustrat).

Note 2: The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Additional Information

Property Summary	The City Walk Residential Building 2B overlooking the Burj Khalifa, consists of 69 residential units ranging from 1 room to 4 room units with many services such as swimming pool, fitness center and places to relax and security services around the clock and parking for each residential unit.
Date of Initial Operations	September 2017
Construction Age	The construction was completed in 2017

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
------------------	---

Contract Details	<ul style="list-style-type: none"> ■ The property manager is responsible for the full management of the property for the fund even though duties may be carried out by a subcontractor. This includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose. ■ The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements. ■ The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract. ■ The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager. ■ The property manager is entitled to a fee of 5% of the net revenues for his services.
------------------	--

Property 9 – Residential Sector

Name of Property	Al Rafiah Village (Owned)
Property Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Property Type	Housing Compound
Province/City	Riyadh Province/Riyadh
Neighborhood/Street	Al-Rafiah/Ibn Al-Shirazi Street
Location (Croquis) Map	
Land Area	61,390.81 m ²
Built Up Area	20,572 m ²
Number of floors	2 floor
Types and Number of Units	102 housing units
Occupancy Rate of Property	100%
Completion Date of Building Construction ⁽¹⁾	June 2015
Cost of Purchasing the Property	SAR 190,000,000

Note 1: There is no building certificate for the real estate asset but the Fund Manager undertakes to extract it within the next 12 months and if not, the Fund Manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability.

Lease Contracts (as of November 30 2017)

Current Leases	All 102 residential units were rented by King Fahad Medical City
Main Tenants	Government hospital
Annual Rent in 2018 ⁽¹⁾	SAR 19,500,000
Duration of Contracts	The period of the initial contract was for a period of 3 years from 20 Ramadan 1436H to 20 Ramadan 1439H and was renewed for a similar period ending on 20 Ramadan 1442H. This contract is automatically renewed for a similar period after the end of its term unless one of the parties is not interested in the extension and gives 180-day notice before the end of the contract.
Sub-Leasing	Not allowed
Termination of Contracts	A lease may not be terminated unless the assets are unusable
Applicable Law	Under the regulation and laws in force in the Kingdom of Saudi Arabia

Note 1: These figures will be reflected in the Fund's income for 2018.

Rental Income for the last 3 years

	2015	2016	2017 ⁽¹⁾
Rental income (SAR)	6,691,549 ⁽²⁾	16,069,023	15,983,249

Note 1: 2017 figures are considered effective until the month of November and December figures are forecasts provided by the independent feasibility consultant (Valustrat).

Note 2: In 2015 the leasing contract began in July (income for half a year) only

Target Returns for the next 3 years ⁽¹⁾

	2018	2019	2020
Rental Income (SAR)	19,500,000	19,500,000	19,500,000
Net Operating income ⁽²⁾	14,920,330	14,830,213	14,737,844
Net Operating Yield	7.85%	7.81%	7.76%

Note 1: Forecasted figures provided by the independent feasibility consultant (Valustrat).

Note 2: The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Additional Information

Property Summary	A residential complex located in the city of Riyadh in Al-Rafiah District near the Diplomatic Quarter in Riyadh and consists of 102 housing units that vary in size ranging from villas containing 1 to 4 rooms, in addition to some services such as the health club, swimming pool, tennis court, football court, squash court, basketball court, beauty salon and outdoor playgrounds.
Date of Initial Operations	July 2015
Construction Age	Two years from the date of initial operations

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<ul style="list-style-type: none"> The property manager is responsible for the full management of the property for the Fund even though duties may be carried out by a subcontractor. This includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property

	<p>owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.</p> <ul style="list-style-type: none"> ■ The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements. ■ The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract. ■ The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager. ■ The property manager is entitled to a fee of 5% of the net revenues for his services.
--	---

Property 10 – Residential Sector

Name of Property	Al Maather Villas Complex (Owned)
Property Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Property Type	Housing Compound
Province/City	Riyadh Province/Riyadh
Neighborhood/Street	Al-Maather/ Abi Al-Muzaffar Al-Mubarak Street
Location (Croquis) Map	
Land Area	1,923.6 m ²
Built Up Area	1,906 m ²
Number of floors	2 floor
Types and Number of Units	7 housing units
Occupancy Rate of Property	100%
Completion Date of Building Construction ⁽¹⁾	September 1999
Cost of Purchasing the Property	SAR 5,500,000

Note 1: There is no building certificate for the real estate asset but the Fund Manager undertakes to extract it within the next 12 months and if not, the Fund Manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability.

Lease Contracts (as of November 30 2017)

Current Leases	<p>There are seven (7) residential units rented by four (4) tenants And have been disclosed in Annex 1 of these conditions and provisions as follows:</p> <ul style="list-style-type: none"> ■ Three (3) persons (individuals) under annual contracts ■ Four (4) contracts have been leased by the Specialized Medical Center under annual contracts
----------------	--

Main Tenants	Four (4) residential units leased to the Specialized Medical Center under four (4) contracts for its employees. Three (3) residential units leased to three (3) individuals for residential use under three (3) leases
Annual Rent in 2018	SAR 635,000
Duration of Contracts	All contracts are renewable annual contracts based on mutual agreement between the owner and the tenant. For further details, please refer to Annex 1 of these terms and conditions.
Sub-Leasing	Not allowed
Termination of Contracts	The lessee may terminate the lease with the obligation to pay the full lease amount. The lessor may terminate the contract if the lessee fails to pay for 30 days after the payment due date or subleases the property without the consent of the lessor.
Applicable Law	Under the regulation and laws in force in the Kingdom of Saudi Arabia.

Rental Income for the last 3 years

	2015	2016	2017 ⁽¹⁾
Rental income (SAR)	493,089	532,146	555,886

Note 1: 2017 figures are considered effective until the month of November and December figures are forecasts provided by the independent feasibility consultant (Valustrat).

Target Returns for the next 3 years ⁽¹⁾

	2018	2019	2020
Rental Income (SAR)	650,875	667,147	683,826
Net Operating income ⁽²⁾	537,239	550,670	564,437
Net Operating Yield	9.77%	10.01%	10.26%

Note 1: Forecasted figures provided by the independent feasibility consultant (Valustrat).

Note 2: The real estate asset includes operating expenses, including but not limited to: employee salary expenses, electricity and water bills, security expenses, maintenance expenses, operating fees and property management fees. Therefore, such expenses are charged to the Fund as the owner of these assets.

Additional Information

Property Summary	a residential complex (compound) in the city of Riyadh in the neighborhood of Maather near King Faisal Specialist Hospital. It consists of 7 residential villas in addition to some services such as a common indoor pool.
Date of Initial Operations	September 2006 ⁽¹⁾
Construction Age	18 years

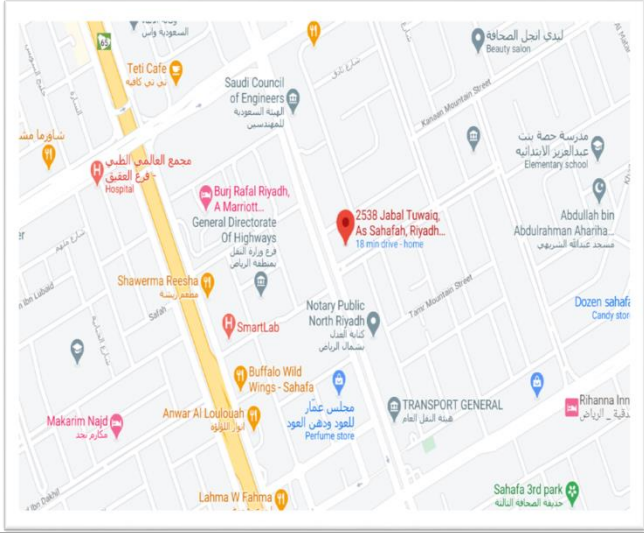
Note 1: The asset was purchased by the current owner in September 2006 and the owner does not know what date the asset was initially operated on.

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<ul style="list-style-type: none"> The property manager is responsible for the full management of the property for the fund, which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose. The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable

	<p>the Property Manager to manage the property, including payments for improvements.</p> <ul style="list-style-type: none"> ■ The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract. ■ The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager. ■ The property manager is entitled to a fee of 5% of the net revenues for his services.
--	--

Property 11 – Commercial Sector

Name of Property	Office Building (Owned)
Property Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Property Type	Office building
Province/City	Riyadh Province/Riyadh
Neighborhood/Street	Al-Sahafa/ Olaya Road
Location (Croquis) Map	
Land Area	3,330 m ²
Built Up Area	16,643 m ²
Number of floors	8 floor
Types and Number of Units	8 Office spaces and 2 basement floors
Occupancy Rate of Property	100%
Completion Date of Building Construction ⁽¹⁾	February 2020
Cost of Purchasing the Property	SAR 99,000,000

Note 1: There is no building certificate for the real estate asset but the Fund Manager undertakes to extract it within the next 12 months and if not, the Fund Manager would be accountable to the Fund and to the unitholders in case of any damage caused by its non-availability.

Lease Contracts (as of November 30 2017)

Current Leases	The tower is fully leased with one lease contract, including all expenses except for the property insurance.
Main Tenants	Government entity
Annual Rent	SAR 9,000,000
Expected Net Annual Rent	SAR 8,700,000
Duration of Contracts	Three years starting from August 2021, and the renewal is done automatically - in accordance with the regulations stipulated in the state

Internal Use

	lease of real estate system and the executive regulations of the state lease and eviction system. The Fund will be eligible to receive its first lease value from August 2022.
Sub-Leasing	Not allowed
Termination of Contracts	The lessee may terminate the lease contract with the obligation to pay the full value of the lease contract, unless the property becomes unusable due to construction defects, if the place is dangerous, or if the public interest necessitates.
Applicable Law	The regulation and laws in force in the Kingdom of Saudi Arabia for the real estate government lease and eviction issued by Royal Decree No. (M/61) dated 19 Ramadan 1427H.

Additional Information

Property Summary	An office tower in the city of Riyadh in Al-Sahafa neighborhood near Rafal Tower on Olaya road. It consists of 8.5 office floors in addition to two parking floors (basement).
Date of Initial Operations	April 2021 ⁽¹⁾
Construction Age	18 years


Note 1: The asset was purchased by the current owner in April 2021 and the owner does not know what date the asset was initially operated on.

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<ul style="list-style-type: none"> ■ The property manager is responsible for the full management of the property for the fund, which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose. ■ The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements. ■ The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract. ■ The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager. ■ The property manager is entitled to a fee of SAR 100,000 only for its services.

Property 12 – Commercial Sector

Name of Property	Office Building (Owned)
Property Owner	Bonyan Real Estate Fund Company (limited liability) owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Property Type	Office building
Province/City	Riyadh Province/Riyadh
Neighborhood/Street	Al-Ghadi/ Alsail Alkabeer Street

Location (Croquis) Map	
Land Area	4,360 m ²
Built Up Area	13,260 m ²
Number of floors	3 floor
Types and Number of Units	3 Office spaces and 1 basement floor
Occupancy Rate of Property	100%
Completion Date of Building Construction ⁽¹⁾	June 2015
Cost of Purchasing the Property	SAR 75,000,000

Lease Contracts (as of November 30 2017)

Current Leases	The tower is fully leased with one lease contract, including all expenses except for the property insurance.
Main Tenants	Al Khaleej Training and Education
Annual Rent	SAR 6,103,125 with increase in rent every 5 years
Expected Net Annual Rent	SAR 6,003,125
Duration of Contracts	Thirteen (13) years starting from January 2022
Sub-Leasing	Allowed
Termination of Contracts	The lessee may terminate the lease contract with the obligation to pay the full value of the lease contract, unless the property becomes unusable due to construction defects, if the place is dangerous, or if the public interest necessitates.
Applicable Law	Under the regulation and laws in force in the Kingdom of Saudi Arabia.

Additional Information

Property Summary	An office building in the city of Riyadh in Al-Ghadir neighborhood near King Abdullah Financial District on Al-Sail Al-Kabeer Road. It consists of 3.5 office floors in addition to a basement floor.
Date of Initial Operations	January 2022 ⁽¹⁾
Construction Age	6 years

Note 1: The asset was purchased by the current owner in April 2021 and the owner does not know what date the asset was initially operated on.

Property Management

Property Manager	Saudi Bonyan Company, owned by Abdulrahman Saad Al Rashid & Sons Co. (Closed Joint Stock Company)
Contract Details	<ul style="list-style-type: none"> The property manager is responsible for the full management of the property for the fund, which includes (a) the collection of rent, (b) leasing, renewal, implementation and imposition of existing lease contracts on behalf of the owner, (c) day to day management of the property including repairs and maintenance, (d) maintain a comprehensive financial management system covering all financial details of all cash flows and expenditures. The property manager will

Internal Use

	<p>also assist the property owner to secure all the necessary licenses and permits necessary to operate the property for the intended purpose.</p> <ul style="list-style-type: none"> ■ The Fund undertakes to pay all expenses for the maintenance and operation of the property including benefits, taxes, insurance and all other costs that enable the Property Manager to manage the property, including payments for improvements. ■ The term of the contract is 10 years from the date of establishment of the fund and is automatically renewed for a period of 5 years unless either party announces its intention not to renew at least one year before the end of the contract. ■ The first 5 years of the contract are binding on both parties, and then the property manager can terminate the contract with a notice period of 120 days provided the owner appoints an alternative property manager. ■ The property manager is entitled to a fee of SAR 100,000 only for its services.
--	--

e. Investment Concentration Policies

The Fund aims to invest in real estate assets inside and outside the Kingdom of Saudi Arabia that can achieve current rental income and returns on invested capital. The Fund does not intend to concentrate on a specific sector but will be in all sectors and geographic regions of the Kingdom. The regions / cities with positive investment characteristics, growth in business activities, positive investment flow, growth in supply and demand, and good infrastructure, will be targeted after conducting a comprehensive feasibility study for these real estate assets internally by either the Fund Manager or using an external consultant to carry out the necessary studies. The Fund Manager use at least two independent appraisers, to be accredited by the Saudi Authority for Accredited Valuers.

The Fund's initial investments in these terms and conditions are 81.74% within the different regions of Saudi Arabia, and only one property is located in Dubai, United Arab Emirates, which equals 16.76% of the total value of the Fund's assets.

Investment Type	The minimum percentage of the Fund's total assets in accordance to the latest audited financial statements	The maximum percentage of the Fund's total assets in accordance with the latest audited financial statements
Income-producing real estate assets in the Kingdom of Saudi Arabia	75%	100%
Income-generating real estate assets outside the Kingdom of Saudi Arabia	0%	25%
Utility contracts	0%	25%
Real Estate Under Development	0%	25%

f. Previous and targeted rental proceeds for each real estate/ usufruct.

Property Name	2018	2019	2020	2021
AlRafiah Village	14,920,330	14,830,213	14,737,844	15,569,415
AlMaather Complex	537,239	550,670	564,437	578,548
Al Rashid Strip Mall	1,642,957	1,642,867	1,832,776	1,832,683
Al Rashid Mall Jazan	15,646,293	16,385,308	16,643,401	16,907,878
Courtyard Marriott	6,309,944	6,558,660	7,340,264	7,617,121
Residence Inn by Marriott	3,998,153	4,236,956	4,280,744	4,674,680
Al Rashid Mega Mall Madinah	32,824,933	33,367,652	33,923,806	34,493,728
Al Rashid Residences	7,078,426	7,441,840	7,825,895	8,209,814
City Walk Residential Building 2B (69 units)	10,247,473	10,518,879	11,143,542	11,437,964
Al Rashid Mall Abha	34,583,966	39,451,337	40,686,766	41,399,109

Rental Income	127,789,714	134,984,383	138,979,474	142,720,939
Fund Expenses	9,596,141	9,607,001	9,618,578	9,630,552
Fund Expense Ratio (%)	0.59%	0.59%	0.59%	0.59%
Net income after deduction of all fund expenses	118,193,573	125,377,382	129,360,896	133,090,386
Gross return ratio before fund expenses (%)	7.85%	8.29%	8.53%	8.76%
Net return ratio after fund expenses (%)	7.26%	7.70%	7.94%	8.17%
Average net return on the fund for the 4 years	7.77%			

g. Borrowing Rights Policy

There are no loans or financing at the inception of the Fund. The Fund may seek financing subject to the approval by the Fund Board and the Fund's Shariah Committee. Financing shall not exceed 50% of the total value of the Fund's assets according to the latest audited financial statements.

h. Methods and ways to invest the cash available in the fund.

The Fund Manager has the right, at its discretion, to invest the available and unused liquidity whenever necessary (maximum 25% of the total value of the Fund's assets according to the latest audited financial statements) in one or more of the investments listed below.

Investment Type	The minimum percentage of the Fund's total value according to the latest audited financial statements	The maximum percentage of the Fund's total value according to the latest audited financial statements
Cash	0%	25%
Islamic money market funds licensed by the Authority, including funds managed by the Fund Manager		
Murabaha transactions and Islamic short term deposits in Saudi Riyals with banks licensed by the Saudi Arabian Monetary Agency and operating in the Kingdom of Saudi Arabia		

i. Disclosure of the utilization details of the Fund's offering proceeds.

Item	Amount (SAR)
Total cost of purchase of property	1,604,740,000
Capital Structuring Fees	24,071,000
Total Value of the Fund	1,628,811,000

j. Unitholders and the percentage of in-kind contributions in the fund to the fund's net asset value.

The seller of real estate assets will participate in the Fund during the initial offering through in kind units equal to 60% of the total size of the Fund.

Seller	Number of Units	Value of units (SAR)	Ownership ratio of each participant from the fund
Bonyan Real Estate Fund Company	97,728,660	977,286,600	60%

10 Risks of Investing in the Fund

Investment in the Fund involves multiple risks and is suitable only for investors who fully understand and are capable of bearing the risks of such an investment. Potential investors should carefully evaluate the considerations set out below, among others, in making their decision. Additional risks and uncertainties not presently known to the Fund Manager, or that it currently deems immaterial, may also have an adverse impact on the Fund's prospects and business.

There can be no assurance that the Fund will be able to achieve its investment objective or that investors will receive a return of their capital. An investment in the Fund does not entail any guarantee that such investment shall be profitable or that an investor shall not incur any loss. As such, each potential investor shall take into account each of the aforementioned risk factors prior to purchasing units in the Fund. Each investor bears full responsibility for any financial loss resulting from an investment in the Fund unless such loss is due to the fraud, gross negligence or misconduct of the Fund Manager as per the Real Estate Investment Funds Regulations and instructions.

This section deals with the most serious factors that may affect the work, operational processes and financial position of the Fund. It does not describe all the risks that apply to the Fund or to the sector in general or to the unit owners in a fund. In the event of any of the following risks or new risks that have not yet been identified, the fund may be adversely affected and the value of the fund's units may decline. Therefore, investment in the Fund does not imply a guarantee of profit or loss.

a. Main Risks of Investing in the Fund

- **There is no guarantee that investment in the Fund will be profitable:** There is no guarantee that the Fund will be able to generate returns to its investors or that the returns will be proportionate to the investment risks in the Fund. It is entirely possible that the value of the units may decline or investors may lose some or all of the invested capital. All figures and numbers shown in these terms and conditions are for illustrative purposes only and It is not possible to provide any assurance that the expected or targeted returns of the Fund will be realized. Actual returns of the Fund will differ from the statistics contained in these terms and conditions and this can adversely affect the profitability and value of investment units.
- **There is no operational history:** The fund does not have an operational history through which potential investors can judge the performance and success of the Fund. The fund manager only has limited experience in managing REIT Funds given the regulations governing such funds have only recently been introduced in the Saudi Arabia. Hence, the nature of future investments in the Fund, as well as the nature of associated risks, may differ substantially from the investments and strategies previously undertaken by the fund manager; nor can the previous results of the fund manager necessarily be a function of the future performance of the Fund. The novelty of the product makes any predictions about the future value of units or about future distributions from the fund prone to error. In the event of an occurrence which was unknown to the fund manager or could not have been predicted, the owners of the units will be exposed to a decline in the value of units and it is possible that may lose their investment completely.
- **Risks of noncompliance with regulations:** The fund may become ineligible as REIT fund under the regulations governing REITs . In the event this happens, it will has a negative impact on the liquidity of the Fund units and may adversely affect its value. Investors should note that there is no guarantee that the fund, once established as a REIT fund, will remain a REIT fund or will continue to be placed as a REIT fund in the Saudi market (Tadawul) which may happen if the fund fails to meet regulatory requirements. In the event that the Fund fails to meet any of the necessary regulatory requirements, the Capital Market Authority may suspend the trading of the units or cancel the listing of the fund on Tadawul. The inability to handle the fund's units in the Saudi financial market (Tadawul) will result in a negative impact on unit price and liquidity.
- **Risk of low market liquidity:** The Fund intends to include its units for trading in the Saudi financial market (Tadawul). This should not be seen as a guarantee that there will be liquidity which will allow active trading in Funds units. In the absence of a liquid trading market or unavailability of sufficient liquidity for Funds units (which allows unit owners to trade their units on the basis of abundance of supply and demand), the value of the units and its market price will be negatively affected. In addition, a large proportion of the units will be issued to a limited number of investors, which may also adversely affect the existence of active market liquidity. Lastly, while the units will listed on Tadawul, the market liquidity, in general of REIT fund, may be lower than the liquidity of the listed companies and this may adversely affect the value of the units.
- **Risks of price changes:** There are many factors that may adversely affect the market price of the units, including the general movement in local and global equity markets, real estate markets, prevailing and

foreseeable economic conditions, interest rates, financing costs, investor orientation and general economic conditions. The underlying market may be subject to fluctuations, and a lack of liquidity may result in a negative impact on the market value of the units. Accordingly, the purchase of these units is only suitable for investors who can withstand the risks associated with such investments.

- **Risks of change in interest rates and general economic conditions:** Changes in economic conditions, including interest rates, inflation rates, working conditions, competition and tax laws, would have a negative impact on the existing business and opportunities of the Fund. In particular, the increase in interest rates may result in investors to require higher yields to compensate for increased cash and opportunity costs. As a result, the attractiveness of the units as an investment opportunity may decline and a lower demand will adversely affect the market value of the units. As the fund may also take loans, any increase in interest rates in the debt markets would affect the Fund's funding requirements. Changes in interest rates may also affect assessments in the real estate sector in general.
- **The Funds units may trade at a price lower than the initial subscription price:** The Funds units may trade at a price which is lower than the initial price at the time of the subscription and the unit owners may not be able to retrieve the full value of their investment. The units may be trade at a price below their value for several reasons, including unfavorable market conditions, weak investor expectations about the viability of the Fund's investment strategy and policy, and an increased supply of units in the market. Sales by large owners of a large number of units may also significantly reduce the unit's market price. Any sale of a large number of units in the market or the perception that such sales will occur can lead to a significant negative impact on the value and price of the units. Accordingly, the purchase of units is only suitable for investors who can withstand the risks associated with such investments, particularly as this may make it difficult for the investor to exit or leave from the fund at a value that is less than the market value of the fund's assets.
- **Risks of volatility in distributions:** Although the fund is required to distribute at least 90% of its net income to unit holders on an annual basis, there are no guarantees for future distributions. The fund may not be able to make any distribution due to unforeseen events resulting in increased costs including large capital expenditures or renovation works which may become necessary or a reduction in income (as in the case of low levels of collection of rental income). The inability of the Fund to make annual distributions to unit owners will cause a decline in the value and the trading price of the Fund's units.
- **Reliance on key staff of the fund manager:** The Fund will rely on management and consultancy services provided by the employees of the fund manager. It could become difficult to replace some key staff members, particularly in the senior management of the fund manager. In the event that one of these staff members' leaves and the fund manager is unable to find an appropriate alternative, the performance of the Fund may be adversely affected. The absence of a successful fund management team can have a negative impact on the ability of fund to develop the its real estate assets or in its ability to negotiate for the benefit of the fund which in turn will affect Fund's revenues and the value of its investment units.
- **Risks of the nature of investment:** Investment in the Fund requires an obligation as set out in these terms and conditions, with no guarantees to achieve returns on the invested capital. There will be no guarantee that the Fund will be able to achieve positive returns on its investments in a timely manner or at any time at all. There is a possibility that the fund may not be able to sell or dispose of its assets when required or is able to sell them at a price that the fund manager believes is the fair value or is able to sell them within the period required by the Fund. Based on the above, the Fund may never be able to achieve any return on its assets.
- **Potential conflict of interest risk:** The fund is subject to various conflicts of interest as the fund manager, its affiliates and their respective directors, directors and their affiliates may be involved in real estate and other business activities in a direct or indirect manner. There may be situations where the interests of one party are in conflict with the interests of the Fund. Any conflict of interest that limits the ability of the fund manager to perform his or her functions will adversely affect the Fund's investments, returns and distributions.
- **Risk of counterparty default and credit risk:** The Fund will be exposed to the credit risk of parties with whom it conducts business and may bear risk of settlement default. The Fund will, in certain circumstances, be fully subject to the default of a counterparty, including the landowners, lending banks, property managers and/or contractors. Default by a counterparty by failing to pay any contractual dues to the Fund could reduce the income of the Fund and ultimately affect the returns to Unitholders.
- **Risks of unequal access to information:** The fund will issue up to 60% of its units to the current owners of the property as an in-kind contribution. This group is also the parent company of the property manager of the Fund. The risk therefore arises that the current owners of the property or property manager will have access to substantial information that the fund manager may not have learned or may not realize is of material nature. In addition, they may have the ability to interpret information in a timely

manner that the fund manager and other investors may not have the capacity to do so and may therefore affect other unit holders in the fund.

Risks related to the Assets of the Fund

- **Risks of acquisition of initial real estate assets:** The Fund expects to complete acquisition of the Initial Assets within 60 days from the Closing Date. Although the Memorandum of Understanding and Purchase Agreements are binding, if either party to the Purchase Agreements fails to perform under the Purchase Agreements, the acquisition of initial assets or part thereof may not occur within 60 days from the Closing Date or at all. In such case, the Fund would need to identify and complete acquisitions of other assets before it could start producing dividends to Unitholders. In case of not being able to do so, the Fund Manager shall liquidate the Fund and make procedures referred to in Termination of the Fund section in these Terms and Conditions.
- **Real estate Investment Risks:** The fund will be subject to the conditions of the general real estate sector in Saudi Arabia, which in itself is influenced by many factors, including, but not limited to, macroeconomic growth, political stability, interest rates, supply and demand, availability of financing, investor orientation and liquidity, the legal and regulatory environment and other conditions in the kingdom. Which in turn will affect the price of the real estate property and the price of Fund's units.
- **Decline in Value of Real Estate:** Real estate values are fluctuating and changing. The change in the indicators of the Saudi Arabian economy may lead to a reduction in the market value of the fund's investments, which in turn could lead to a decline in the fund's returns. This may prompt the fund manager to change its investment strategy and or to dispose of investments at a loss. In addition, investments in commercial and residential real estate are exposed to risks affecting the commercial and residential real estate sector in general, including seasonal variations, buyers' willingness to purchase a particular property, changes in economic conditions and business confidence. One or more of these factors may therefore have a negative impact on the results of the Fund's operations, financial situation, unit prices or all at once.
- **Property Valuation Risks:** In addition to the valuations carried out by two independent valuers, the Fund Manager may use internal valuations in several contexts in relation to the Fund. The valuations performed by the Fund Manager or the independent valuers will only be an estimate of the worthiness of a property and are not a precise measure of the value that may be obtained in connection with a sale of that property which is based on negotiations between a buyer and seller. The final verification of the property market value depends to a great extent on economic and other conditions beyond the control of the Fund. If the Fund were to liquidate its assets, the realized value may be more or less than the estimated valuation of such assets. In periods of economic volatility, in which there is a perceived greater uncertainty as to value estimates and fewer comparable transactions against which value can be measured, the difference between the estimated value for a real estate asset and the ultimate value for that asset may increase. Further, relative uncertainty as to cash flows in a distressed market can adversely affect the reliability of property value estimates and the negotiations between a buyer and seller and hence final returns to Unitholders.
- **Availability of Appropriate Investments in the Future:** Some of the investments of the Fund have been selected by the Fund Manager as of the date hereof. Investors in the Fund will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding future investments. There can be no assurance that the Fund Manager will be able to identify investments following the acquisition of the Initial Assets that meet the Fund's investment objectives, particularly in the current market environment. Identifying and structuring investments suitable for the Fund is highly competitive and involves a high degree of uncertainty. The Fund Manager's inability to identify suitable investments may adversely affect the ability of the Fund to produce the desired growth in the market value of Units. In addition, delay in identifying, and acquiring the appropriate investments may adversely affect the periodic distribution of dividends, which shall negatively affect the price of the Unit.
- **Risks of tenants' inability to meet their rental obligations:** Several tenants lease real estate assets. The Fund is therefore at a significant risk when tenants are in breach of their obligations. In the event of a failure of a tenant to pay the payments due for one or more real estate assets, this may limit the ability of the fund manager to re-lease or lease the property on satisfactory terms. This would reduce the rental income from the property. Furthermore, the Fund may be forced to make major renovations to real estate in order to attract new tenants in the future on the best possible terms, which may temporarily affect the returns that are distributed to investors.
- **Risk of a single tenant for some real estate assets:** The fund on its inception date and during its life, will acquire real estate assets which are leased to a single tenant. Such real estate assets are either equipped or remodeled by the lessee in a manner that serves the tenants interests, including for example

some changes to the interior decoration of the real estate asset in a manner that reflects the tenant's identity and need. Therefore, if the tenant decides not to renew or terminate the relevant lease, the Fund Manager may find it difficult to re-lease the property to a new tenant who rents the entire real estate asset or the fund manager may be required to make modifications to the property. Therefore, any delay in finding alternative tenants or tenants requiring any internal adjustments to the real estate asset may result in significant capital expenditures or other liabilities that may have a material adverse impact on the business of the Fund, financial position, cash flows and operating results.

- **Risk of non-occupancy of properties for long periods:** When a real estate unit becomes vacant for long periods as a result of the termination of the lease without renewal, or the lessee cannot pay and declares of bankruptcy, or cannot renew their contracts for any reason, the fund may suffer a decrease in returns, thus decreasing the cyclical distributions of investors. Moreover, because the value of a real estate depends heavily on the leasing contracts for that property, the value that can be derived from the sale of those properties that have not been leased either in part or in full for long periods may decrease, and therefore the returns that can be made to investors may decrease, which will affect fund's returns and distributions.
- **Investment risk outside Saudi Arabia:** International investment (outside Saudi Arabia) involves many risks such as currency exchange rate, political and economic volatility, high investor costs and information security risks. While the fund manager shall endeavor to enter into investments under the same regulatory, control and supervisory requirements as at least for those applied by Saudi Arabia, the fund manager may not always have sufficient knowledge of these regulations and laws or new laws may be imposed in future. In the event of any of the above, this could affect the fund's profits and/or the valuation of its assets, which may adversely affect the price of its units.
- **Risks related to utility contracts:** The Fund intends to acquire a real estate asset by transferring its utility to the Fund. These contracts do not imply the transfer of ownership of the asset to the fund but rather the transfer of the right of usufruct and may result in disputes or disagreements over ownership or the contract in general and, if they occur, will fundamentally affect the value of the real estate assets and, consequently, the value of the units in the fund.
- **Political risks in relation to assets located in the south of the Kingdom:** The Kingdom of Saudi Arabia is subject to political conditions, particularly in the southern region, where these conditions have a significant impact on the assets and returns of the fund. If these conditions persist or increase, this will certainly affect the value of the real estate assets and the value of the units in the fund.
- **Risk of not being able to issue completion certificates for some of the assets:** The absence of completion certificates for some of the assets may expose the fund to the risk of inability to use the assets or the inability to rent or sell it as well, if that happens, the fund will be negatively affected and will affect the fund operations and the ability to distribute dividends to shareholders in case this risk happened, as a result of that it could cause the loss for unit owners and the fund, but the fund manager will try and issue these certificates over the next 12 months. If he is unable to do so, the fund manager will be accountable to the Fund and to the owners of the units in case any damage or loss accord.
- **Default and Credit Risks of Other Counterparties:** The Fund will be exposed to the credit risk of parties with whom it conducts business and may bear risk of settlement default. The Fund will, in certain circumstances, be fully subject to the default of a counterparty, including the landowners, lending banks, property managers and/or contractors. Default by a counterparty by failing to pay any contractual dues to the Fund could reduce the income of the Fund and ultimately affect the returns to Unitholders.
- **Fluctuations in the Value of Real Estate and other General Real Estate Risks:** Investments will be subject to risks related to the ownership and / or lease of real estate and / or the development and / or redevelopment of its operations. These include, but are not limited to; the risks associated with the overall economy and real estate conditions, particularly in real estate supply and demand levels. Since the real estate market has experienced many fluctuations in the past, there is a possibility that the Fund will acquire properties whose value has subsequently deteriorated and the market value of the Fund's investments will be affected. There is no guarantee that there is a market ready to resell investments because real estate investments in general are considered non-liquid 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 the rental payments received by the Fund and therefore on the ability of the Fund to provide dividends to investors. From time to time, a tenant may be subject to financial difficulties, which may impair his or her financial position and lead to defaults on the payment of rental receivables when due. At any time, any tenant may seek protection against the bankruptcy or insolvency laws in force, which may lead to the refusal or termination of the lease or any other negative consequences, thereby reducing the Fund's distributable cash flow. It is not possible to provide assurance that tenants will not file claims for bankruptcy protection in the future, and if they do so, the rent will continue to apply.

- **Real Estate Expropriation Risks:** Certain government authorities in the Kingdom are entitled to expropriate real estates for the public benefit (for example, the construction of roads and public utilities). In practice, the compensation value of expropriated property is supposed to be equal to market value. However, this is not guaranteed, as the value of the compensation may be less than the market value of the property at the time of expropriation or the value paid for the purchase. In case of expropriation, a property is acquired after a period of notification not specified by law as it is adopted pursuant to a specific law. Although compensation may be paid, there is a risk that the compensation would not be adequate compared to the size of investment, lost profit or increase in the value of investment. If the expropriation risk materializes, the value of the distributions to the Unitholders and the value and trading price of the units may decline. In addition, the Unitholders may lose all or part of their invested capital.
- **Risks of operating companies and Property Management:** The fund will use a company or companies specializing in operation and property management for the real estate assets on an exclusive basis and based on their expertise to operate and lease real estate. The performance of real estate assets relay heavily on the property manager to lease, collect rents and establish good relations with tenants. The operator may also make use of a number of contractors for the purpose of providing services such as security, cleaning, maintenance and other services. Therefore, any failure or defect in the level of service provided by the operator or by contractors for any reason or failure of the operator to manage the contractors with efficiency would have a direct and negative impact on the performance of the Fund, its financial situation and, consequently, the unit price.
- **Commercial real estate market risks:** The Fund will invest in commercial real estate sector, and if the Fund was dependent on the income streams derived from them, the Fund may become exposed to any downturn in such markets. The commercial real estate market is cyclical in nature and is affected by the condition of the economy as a whole. Deteriorating economic conditions adversely affect the value and liquidity of commercial real estate assets. In addition, negative economic conditions have also had, and may continue to have, a material adverse effect on the level, and effective collection, of rental returns and the ability of lessees to make payments, which may ultimately flow, to the Fund. Declines in the performance of the commercial real estate markets could have a negative impact on rental levels and revenues and vacancy rates, and could as a result have a material adverse effect on the Fund's business and financial condition.
- **Residential Real Estate market risks:** The Fund will invest in the residential real estate sector. The performance of investments in the residential real estate sector depends heavily on changes in demand and supply levels, which would be greatly affected by economic, political, security, regional and local factors, including increase in competition posed by other residential properties. The Fund's ability to earn net rental income as well as up keeping the real estate value of the residential properties highly depends on the ability of the Fund's residential properties to effectively compete with similar properties. If similar residential real estate properties were able to attract lessees better than the Fund, then the net rental income from the Fund may diminish because of low demand by lessees. The decrease in the net rental income may reduce the yield distributions to the Unitholders and may cause the value and price of the Units to fall.
- **Hotel sector risks:** The performance of the Fund will be affected by the hotel sector performance in general. These factors may include factors related to demand levels, including any economic factors, health restrictions factors, regulations factors (including those related to taxes and fees), interruption of local transport and communications services, or factors related to supply levels, including the increase in the supply of hotels either in general or in a particular sector or places. Economy and other factors may have a negative impact on employment and personal spending, resulting in lower occupancy rates and room prices and affecting the total value of real estate in the hotel sector. Thus, in case these factors occurred, the Fund may need to sell the assets for less than the cost of acquisition, resulting in financial loss and will affect the Fund returns.
- **Asset Liquidity Risks:** As an asset class, real estate assets are relatively illiquid and, as such, it may be difficult or impossible for the Fund to sell a certain real estate asset for a particular price at any particular time. The Fund's assets consist of real estate assets. It may be difficult for the Fund to sell its real estate assets (particularly at times of market downturn and specifically those assets that are categorized as larger real estate assets), and the proposed price may be at a significant discount, especially if the Fund is forced to dispose of any of its assets in a short period. This may reduce the value of the Units and adversely affect the performance of the Fund.
- **Real Estate Development Risks:** There is no real estate development project in the initial real estate assets. However, the development of real estate projects in Saudi Arabia presents several risks. The risks in building and marketing a new development include, but are not limited to: (i) delays in timely completion of works; (ii) cost overruns; (iii) inability to generate lease agreements to forecast levels; (iv) force majeure resulting from factors beyond the Fund's control and which are specific to the construction

industry (including adverse weather and environmental conditions and lack of building material in the market); and (v) issuance of any decisions related to increasing nationalization in the construction industry may affect the availability of labor to carry out development works, which would hinder the completion of development projects. New project commencement also carries other risks such as t of the obtainment of zoning, occupancy and other required governmental approvals and permits and development costs in connection with projects that are not pursued to completion. The Fund may fail to achieve its investment objective in case any required municipal approval or consent is denied or not granted on acceptable or reasonable terms. In such a case, the Fund may not be able to complete the investment or the development of a real estate project, which may negatively affect the value of Units as expected proceeds of development, will not be earned on time. The successful completion of such projects will have a direct and significant impact on the value of the Units and any failure to complete a project could reduce dividends and the net asset value of the Fund.

- **Leverage Risks:** The assets of the Fund may be leveraged, which may adversely affect the income earned by the Fund or may result in a loss of the principal capital and accordingly, the market value of Units. Increases and decreases in the value of the Fund's real estate assets will be magnified when the Fund uses leverage. For example, leverage may cause greater swings in the Fund's Net Asset Value or cause the Fund to lose more than it has invested. The use of leverage creates an opportunity for increased returns, but at the same time involves a higher degree of risk and may increase the exposure of the Fund and its investments to factors such as rising costs of leverage and downturns in the economy. Moreover, the assets of the Fund may be pledged to a lender for the sole benefit of the Fund and such lender may claim the assets upon an event of default (as specified in the financing documents) by the SPV, the Fund Manager or the Fund itself.
- **Risks of Actions Taken by Competitors:** The Fund competes with other owners, operators and developers of real estate in Saudi Arabia, some of which may own properties similar to those of the Fund in the same area in which the properties are. If the Fund's competitors lease commercial and/or residential space similar to the Fund's properties or sell assets similar to the Fund's properties at valuations below the Fund's valuations for comparable assets, the Fund may be unable to lease its commercial and residential space at favorable pricing, on favorable terms or at all. As a result, the Fund may incur additional costs and expenses for the purposes of maintaining the properties and also be exposed to loss of potential income due to underlying properties being vacant. As such, the projected income and/or returns to Unitholders may be adversely effected.
- **Risks of Possible Inability to Renew Leases or Re-lease Spaces as Leases Expire:** The Fund will derive most of its income from rent received from the tenants of the properties. Accordingly, the Fund's financial condition, results of operations, cash flow and its ability to distribute dividends to Unitholders could be adversely affected if it is unable to promptly re-lease properties or renew expiring leases, or if the rental rates upon renewal or re-lease are significantly lower than expected. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favorable to the Fund than the existing lease. In the event of default by a tenant, the lessor may experience delays or limitations in enforcing rights and incur substantial costs in protecting the Funds investment. Further, the Fund's ability to lease space and the rents that it can charge are impacted, not only by tenant demand.
- **Risks of Application of Zakat, Fees and Taxes:** The information in these Terms and Conditions is based on existing published legislation at the time of issuing them. Legal, tax, zakat and regulatory change in the investment environment in the Kingdom, or otherwise, may occur during the Fund Term which could have an adverse effect on the Fund, its Investments or Unitholders. The Fund may have limited legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of the Kingdom. Enforcement of leases and other contracts through the judicial system in the Kingdom is a difficult and lengthy process, and outcomes are unpredictable. Additionally, governmental departments and agencies in the Kingdom, such as the Notary Public, exercise a great deal of discretion with regard to the application of existing legislation. Any changes to existing legislation or failure by governmental departments to apply such legislation may adversely affect the Fund. While investors in CMA-regulated funds in the Kingdom are not currently taxed, there is no assurance that the current applicable Tax Law in the Kingdom will not be changed. The local tax authorities maintain the rights to assess zakat tax on each Unitholder.
- **Income Tax Risk:** Investment in the fund involves a variety of tax risks, some of which apply to investment in the fund itself and other to certain circumstances which may be relevant to a particular investor. The incurring of such taxes by the fund reduces the amount of cash that is available to the operate the Fund as well as the potential distributions of dividends to the unitholders. The taxes incurred by the unit owners would necessarily reduce the returns associated with the investment in the Fund and

decrease the unit price. investors must consult with their tax advisors on the taxation, ownership and sale of units.

- **Risks of Government and Municipality Approvals:** The Fund may fail to achieve its investment objective in case any required approval or license is denied, which may negatively affect the Fund investments and value of Units.
- **New and Future Government Organizations:** The Kingdom of Saudi Arabia has recently witnessed many developments in government organizations from additional government fees to the increase of the Nationalization rules in some sectors, as well as to force certain jobs for Saudis only, as well as for the new Ministry of commerce and the ministry of Labor or any organizations that may be established recently or in the future to regulate the sector, especially those that affect in the retail sector, in which the fund has approximately 60%. Of its origins in this sector, as these organizations may be the cause of loss of many tenants or the decline in annual rents. In addition the fund manager cannot predict any regulation that may occur in the retail or hotel and the residential sector, where the pace of change and development has become a challenge at any time, if any of the above happened the fund cannot achieve the expected return, in which may affect the unit price or the loss of part of the investment amount.
- **Risks of Third Party Litigation:** Given the nature of its activities, the Fund may become involved in legal proceedings with third parties. In such case, the expense of defending against claims by third parties and any amounts pursuant to settlements or judgments shall be incurred by the Fund, which would reduce the its assets and cash available for distribution to Unitholders. The Fund Manager and others are entitled to indemnification by the Fund in connection with such litigation, subject to certain limitations.
- **Risk of In-Kind Dividends:** Subject to compliance with regulatory the requirements, the Fund may distribute in-kind dividends of real estate or interest in other companies in the context of winding up the Fund. In the event of distribution of in-kind dividends, Unitholders may receive interests in a company or property that is difficult to be realized. The distribution of in-kind dividends in the form of assets may create costs and administrative burdens, which investors would not have incurred if the Fund distributed cash dividends.
- **Risk of Uninsured Losses:** The Fund Manager will ensure that there is insurance covering all the assets and properties of the Fund in types and amounts that it believes are adequate and appropriate given the relative risks applicable to the property with an appropriate cost of coverage and the application of best industry practices. Certain losses, such as those due to windstorms, floods or seismic activity, may be insured subject to certain limitations, including large deductibles or co-payments and policy limits in addition to delay in collecting claims. The Fund may incur material losses in excess of insurance proceeds and may not be able to continue to obtain insurance at commercially reasonable rates. If the Fund experiences a loss that is uninsured or that exceeds its insured limits with respect to one or more of the properties, then it could lose the capital invested in the damaged properties, as well as the anticipated future revenue from those properties. Certainly, any such losses could adversely affect its financial condition, results of operations, cash flow and ability to distribute to the investors.
- **Risk of Real Estate Valuation:** For estimating the value of the Fund's investment portfolio, these assets are valued by two independent valuers licensed by the Saudi authority for certified valuers. The fund manager's evaluations are only for the purpose of valuing the real estate, and are not an accurate measure of the value that can be obtained when the property is sold, since the final verification of the market value of the property depends to a large extent on the negotiations between the seller and the buyer that may be affected of economic and other conditions beyond the control of the Fund and the Fund's director, including, but not limited to, market conditions in general. If the fund decides to liquidate its assets, the realized value may be more than or less than the assessed value of these assets, which would affect the return to the unit owners.
- **Risks of Investing in Murabaha Funds, Listed Equity and Other Real Estate Funds:** The Fund may invest in SAR Murabaha transactions with local Saudi banks or in Shariah-compliant listed equity of real estate companies or other Shariah-compliant real estate investment funds. The value of these types of investments may fall as they are not deposits in a bank. In addition, there are risks associated with Murabaha transactions arising from trading activities involving dealings in illiquid financial instruments, whose clearance and payments do not fall under a regulated clearing house or stock exchange, which may negatively affect cash distributions and the market value of Units.
- **Risks of influencing government policies on the Saudi real estate market:** The government has recently introduced charges on white land in Saudi Arabia, known as "white land taxes". These fees provide an incentive for other developers to develop unused land, but they can also lead to an increase in the levels of competition in the real estate sector market. Any future reduction in electricity and water subsidies in the kingdom, changes in the labor fees, taxes on expatriate workers and their families may reduce the levels of demand for the fund's real estate assets. Furthermore, any rent limits or values by

the government may have a negative impact on real estate income and on the cash distributions and market value of the fund's units.

- **Risks of Cancellation of Listing / Suspension of Units:** There is a risk that CMA may cancel the listing or suspend Fund trading at any time if CMA deems it necessary to protect investors or maintain market regulation or believes that the Fund Manager or Custodian has failed substantially. CMA may also cancel or suspend the listing, if the Fund fails to meet the liquidity standards, as indicated by CMA under the Real Estate Investment Traded Funds Instructions: "The Fund's Units shall have sufficient liquidity as per the following: (a) at least 50 Unitholders from the public (b) at least 30% of the total REIT Units are owned by Unitholders from the public". In this case, it is likely to be outside the control of the Fund Manager. Therefore, this would limit the ability of Unitholders to dispose of their units in the Fund.
- **Risks of Concluding Long-Term Leases:** The Fund will conclude long-term leases with tenants. Such leases may, and may not, include increases in rent. In the event of any increase in operating costs, inflation rates, changes in exchange rates or increases in real estate prices while rental payments hold steady, the proceeds from rent will be reduced. Moreover, given the duration of the lease, the Fund may not be able to renegotiate the lease to reflect previous changes until its expiry. This would result in lower returns compared to those available in market and may also affect the original asset price and the price of the Fund's Units.
- **Risks of Fund Termination:** If the Fund is terminated, the Fund Manager shall initiate liquidation proceedings. This may lead to the sale of fund investments at un-ideal times, at a price that may not reflect fair market value or in a manner that may not be the best for their sale. All of these have significant adverse effects on fund returns, as well as the final price received by the Unitholder.

Other Risks

- **Geographic Concentration of Investment Risks:** Based on the fund's strategy, most of the fund's portfolio will be located within Saudi Arabia and will therefore be affected by the conditions, contractions and economic cycles that affect the region in general, which could negatively impact the Fund's investments and unit price, and the high concentration Of the Fund's portfolio in a given geographical area, or the fact that a large proportion of tenants work in a single sector or similar and interconnected sectors, would increase the effects of that geographical area or in that sector, which could adversely affect the Fund's returns and distributions. Factors that influence the economic conditions in Saudi Arabia may include the following:
 - The financial performance of the various economic sectors.
 - Economic slowdown.
 - Staff downsizing.
 - Change business trends.
 - Demographic factors change.
 - Level of infrastructure quality.
 - Real estate inflation or shrinking demand for real estate.
 - Adoption of new legislation relating to ownership or lease and lease of real estate
- **Legal Status Risks:** The fund is an arrangement between the unit owners and the fund manager. This arrangement is governed and supervised by the Capital Market Authority of Saudi Arabia. The fund does not have its own legal or corporate identity and therefore the Fund face difficulties from some of the Saudi government parties or courts for the lack of clarity of the Fund's legal entity, which may expose the Fund to losses directly reflected in the market price of the fund's units.
- **Exchange Rate Risks:** The Fund's main currency is Saudi Riyals. However, the investments managed through the Fund may be undertaken in other currencies. Any change in the exchange rate of such currencies may adversely affect the value and price of the Fund's units. Unitholders whose basic currency is not Saudi Riyal shall be exposed to exchange rate fluctuation risks.
- **Risks of Liability and Indemnification Limitation:** These Terms and Conditions limit the circumstances under which the Fund Manager, and its shareholders, directors, officers, employees, advisors and affiliates, can be held liable to the Fund and Unitholders. As a result, the right of Unitholders to recourse and take any action against the Fund Manager in certain cases is limited compared to the cases in which such conditions are absent. In addition, the Fund may be liable for certain claims, losses, damages and expenses arising out of the actions of the Fund Manager; Custodian; Developers; Property Managers, and their directors, officers, employees, agents and affiliates; Shariah Board Members and Fund Board Members on behalf of the Fund, providing that they made such action in good faith and in a manner that is believed to be for the Fund's best

interest and the action does not involve fraud, gross negligence or willful misconduct. Such indemnification obligations could negatively impact the returns to Unitholders.

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

b. Forward Looking Statements

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

The above-mentioned risks are not an adequate or exhaustive explanation and summary of all risk factors in investing in the units of the Fund. It is strongly recommended that all potential investors seek independent advice from their respective advisors.

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 must consider the factors below before purchasing units in the fund. Investors are solely responsible for any material loss resulting from investment in the fund unless it is the result of fraud, negligence or misconduct on the part of the fund manager in accordance with the Real Estate Investment Fund Regulations.

11 Subscription

a. Subscription Period

The Fund Manager will issue sixty five million one hundred and fifty two thousand and four hundred and forty units (65,152,440) at a price of SAR 10 per unit representing 40% of the Fund's total units. The Fund Manager will raise a cash amount of six hundred and fifty one million five hundred and twenty four thousand and four hundred Saudi riyals (SAR 651,524,400) during the initial offering period. The Initial Offering Period shall be for a period of 15 working days from the date of 29 Rajab 1439H corresponding to 15 April 2018 and continuing until the date of 17 Shaban 1439H corresponding to 3 May 2018.

b. Real Estate owners intending to subscribe with in-kind contributions and their ownership percentage.

The seller of real estate asset will participate in the fund during the initial offering through in kind units issued in the fund equal to 60% of the total size of the fund.

Seller	Number of Units	Value of units (SR)	Ownership ratio of each participant from the fund
Bonyan Real Estate Fund Company	97,728,660	977,286,600	60%

It should be noted that Abdulrahman al-Rashed and Sons Company as shown below own the Bonyan Real Estate Fund Company LLC.

Company Name	Ownership rate at the Bonyan Real Estate Fund Company (LLC)
Abdulrahman Saad Al-Rashed & Sons Co. (Closed Joint Stock Company)	100%

Abdulrahman Al Rashed & Sons Co. owns all assets through Bonyan Real Estate Company (Limited Liability), the seller of real estate assets. There is a lockup period on all in kind units for one (1) calendar year from the date of commencement of trading of the units. In-kind participation is shown in the table below.

Fund Unit Holder	Number of Units	Value of units (SAR)	Ownership ratio of each participant from the fund
Abdulrahman Saad Al-Rashed & Sons Co.	97,728,660	977,286,600	60%

c. Fund Manager's subscription amount during the offer period.

Neither the Fund Manager nor its affiliated companies will invest in the Fund during the subscription period or after the listing of the Fund's units on Tadawul.

d. Undertaking of commitment to the Law of Real Estate Ownership and Investment by Non-Saudis

The Fund Manager undertakes to abide by the Law of Real Estate Ownership and Investment by Non-Saudis.

e. Minimum and Maximum Subscription Amounts

- **Minimum Subscription:** During the initial subscription period, the minimum subscription shall be at least 100 units at a subscription rate of SAR 10 per unit.
- **Maximum Subscription:** During the initial subscription period, the maximum subscription shall be up to 8.1 million units worth 10 riyals per unit equivalent to 81 million Saudi Riyals. The fund manager will take all reasonable steps during the subscription period which may be necessary to ensure at all times:
 - The Fund should include a minimum number of 50 unit owners from the public.
 - At least 30% of the units of the Fund are owned by public unitholders.

f. Subscription Application

- **Step 1 - Obtaining the Terms and Conditions:** Participants wishing to participate are required to obtain a copy of the terms and conditions by visiting the website of the fund manager or the website of the Capital Market Authority or the website of the Saudi Stock Exchange (Tadawul) or by visiting the office of the Saudi Fransi capital.
- **Step 2 – Fill out the subscription form:** The subscriber shall fill out the full subscription form by visiting the website of Saudi Fransi Capital. Each subscriber who is subscribing for itself and its family members who are enrolled in the family register shall fill only one subscription form to participate in the same number of units as the main joint application. This will result in the following:
 - All units will be assigned to the main subscriber and the dependent investors will be registered in the name of the main subscriber.
 - Surplus amounts for unallocated units will be refunded to the main subscriber and dependent subscribers.
 - The prime subscriber will receive all dividends distributed in respect of the units allocated to himself and dependent sub-scribers (in case units are not sold or transferred).
- **Step 3 – Acceptance of terms and conditions:** The Terms and Conditions shall be electronically approved and this shall be considered as a declaration of reading and acceptance thereof.
- **Step 4 – Transfer the subscription amount:** A temporary bank account number (IBAN) will be sent by the fund manager to for each subscriber. The subscriber shall transfer the entire amount of before the end of the subscription period at the latest by 5 p.m.
- **Step 5 – Confirmation receipt of the subscription application:** The fund manager will send the customer a confirmation of the subscription application via a text message to the registered mobile number or via e-mail.

- **Step 6 – Acceptance of subscription application:** The subscription request will be reviewed within three working days from the date of receipt of the subscription request. If the subscription request is not complete or there is any feedback, the client will be notified through a text message or an e-mail to complete the applications within one working day. If the application is complete, the customer will be notified of the acceptance of the subscription request. The fund manager has the right to accept or reject the application for subscription. If the subscription is rejected, the relevant subscription amount shall be refunded to the subscribers' investment portfolio within five (5) working days of the closing date (less any bank charges, bank transfers or currency exchange charges incurred).
- **Step 7 – Notice of Allocation:** After closing the subscription period and accepting contributions, the units will be allocated to the participants in accordance with the allocation mechanism specified in subsection (4) of this regulation. A notice to that effect will be given to CMA and the results of the final offering and unit allocation will be declared through the Fund Manager's website within ten business days.
- **Step 8 – Refund of surplus amounts and listing:** After the final allocation announcement, any surplus subscriptions will be refunded to subscribers without any deductions other than deducting the value of the assigned units. Allocated units will be assigned to subscribers' investment portfolios within 10 working days.

g. Subscription Method

Individuals: Includes only Saudi natural persons in a manner that is not prejudice to the law of Real Estate Ownership in Saudi Arabia.

■ **Documents required for individuals are as follows:**

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

■ **Documents required for minors and incapacitated individuals:**

- Individuals under the age of 18 Hijri years may subscribe through the guardian or trustee.
- For a minor under 18 Hijri years, a copy of the national ID or residence of the minor along with the ID of the guardian or trustee shall be provided.
- If the client is a Saudi national under 15 Hijri years, the family register in which the minor is added and the national ID of the guardian or trustee must be attached.
- If the client is under 18 years old and under trusteeship, a copy of the trusteeship deed issued by the competent court must be attached.
- An incapacitated person may subscribe through the guardian or trustee, provided that the incapacitated client has an investment portfolio with a licensed person.

Entities: Includes institutions, companies, investment funds, government agencies and other legal entities in the Kingdom of Saudi Arabia that are wholly owned by natural persons of Saudi Arabian nationality.

■ **Documents required for companies:**

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

■ **Documents required for investment funds:**

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

- A statement by the fund manager that all unitholders of the investment fund are Saudi and that the fund manager is obligated to comply with this requirement for the duration of the Fund's investment Bonyan REIT Fund.

■ **Documents required for investment portfolios:**

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

Subscription in the Fund through other receiving agents: Subscription is available only to Saudi natural persons and that is in accordance with the Law of Real Estate Ownership in Saudi Arabia. Subscription is only available through electronic channels of the below entities.

- **Banque Saudi Fransi:** An investor may subscribe, if it has a bank account with Banque Saudi Fransi and an active investment portfolio with any capital market institution licensed by CMA. The investor will subscribe only through the electronic channels of Banque Saudi Fransi after accepting the Terms and Conditions.
 - The investor shall have a current account in the name of the prime subscriber with Banque Saudi Fransi (in the absence of an account, a current account must be opened with Banque Saudi Fransi).
 - The investor shall have an investment portfolio in the name of the prime subscriber with any of the capital market institution licensed by CMA.
 - The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website www.alfransi.com.sa.
 - The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website www.alfransi.com.sa (the subscription page of "Bonyan REIT Fund") and filling the subscription form.
 - It is not required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
 - A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.
- **AlRajhi Bank:** An investor may subscribe, if it has a bank account with AlRajhi Bank and an active investment portfolio with any capital market institution licensed by CMA. The investor will subscribe only through the electronic channels of Al Rajhi Bank after accepting the Terms and Conditions.
 - The investor shall have a current account in the name of the prime subscriber with AlRajhi Bank (in the absence of an account, a current account must be opened with AlRajhi Bank).
 - The investor shall have an investment portfolio in the name of the prime subscriber with any of the persons licensed by CMA.
 - The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website www.alrajhi.com.sa.
 - The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website www.alrajhi.com.sa (the subscription page of "Bonyan REIT Fund") and filling the subscription form.
 - It is not required to attach a copy of the national ID for individuals or the family register if the subscription in-cludes dependents.
 - A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.
- **National Commercial Bank (NCB):** An investor may subscribe, if it has a bank account with NCB and an active investment portfolio with any capital market institution licensed by CMA. The investor will subscribe only through the electronic channels of NCB after accepting the Terms and Conditions.

- The investor shall have a current account in the name of the prime subscriber with NCB (in the absence of an account, a current account must be opened with NCB).
 - The investor shall have an investment portfolio in the name of the prime subscriber with any of the persons licensed by CMA.
 - The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website www.alahli.com.
 - The investor, on any day during the offering period, shall submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website www.alahli.com (the subscription page of "Bonyan REIT Fund") and filling the subscription form.
 - It is not required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
 - A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.
- **Riyad Bank:** An investor may subscribe, if it has a bank account with Riyad Bank and an active investment portfolio with any person licensed by CMA. The investor will subscribe only through the electronic channels of Riyad Bank after accepting the Terms and Conditions.
- The investor shall have a current account in the name of the prime subscriber with Riyad Bank (in the absence of an account, a current account must be opened with Riyad Bank).
 - The investor shall have an investment portfolio in the name of the prime subscriber with any of the persons licensed by CMA.
 - The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website www.riyadbank.com.
 - The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website www.riyadbank.com (the subscription page of "Bonyan REIT Fund") and filling the subscription form.
 - It is not required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
 - A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.
- **Samba Bank:** An investor may subscribe, if it has a bank account with Samba Bank and an active investment portfolio with any person licensed by CMA. The investor will subscribe only through the electronic channels of Samba Bank after accepting the Terms and Conditions.
- The investor shall have a current account in the name of the prime subscriber with Samba Bank (in the absence of an account, a current account must be opened with Samba Bank).
 - The investor shall have an investment portfolio in the name of the prime subscriber with any of the capital market institutions licensed by CMA.
 - The investor shall review and accept the Terms and Conditions of the Fund through the Receiving Agent's website www.samba.com.
 - The investor shall, on any day during the offering period, submit an application for subscription for the Fund as of the beginning of the subscription period through the Bank's website www.samba.com (the subscription page of "Bonyan REIT Fund") and filling the subscription form.
 - It is not required to attach a copy of the national ID for individuals or the family register if the subscription includes dependents.
 - A client will not be able to modify the data in the subscription form after filling it, but he can cancel the subscription by contacting the Receiving Agent before maximum 5 pm on the last day of the offering period.

Important Notes

- The client must confirm the accuracy of the data and the documents submitted. Saudi Fransi Capital is not liable for any errors.
- If the same person subscribes more than once, only the first subscription will be accepted.

h. Subscription Method for Minors and Dependents

- Individuals under the age of 18 Hijri years may subscribe through the guardian or trustee.
- For a minor under 18 Hijri years, a copy of the national or residence ID along with the ID of the guardian or trustee must be provided.
- If the client is a Saudi national under 15 Hijri years, the family register in which the minor is added and the national ID of the guardian or trustee must be attached.
- If the client is under 18 years old and under trusteeship, a copy of the trusteeship deed issued by the competent court must be attached.
- A dependent may subscribe through the guardian or trustee, provided that the dependent has an investment portfolio with a capital market institution.

i. Allocation Mechanism to Subscribers

The fund manager shall notify each participant within three working days from the date receipt of full application on the acceptance of refusal of the subscription request. If the subscription is accepted, confirmation will be sent to the participants, which will include the final subscription amount. If the contribution amount for a participant is rejected, the relevant contribution amount will be refunded to the participant's investment portfolio within fifteen working days from the closing date (less any bank charges, bank transfers or currency exchange charges). The fund manager will provide a statement of the results of the offering to CMA within 10 working days of the closing date.

Taking into account former subsection on in-kind subscription and subject to the updating of the registration and listing requirements as set out below. The units are allocated after the closing date according to the following:

- If the total amount of subscription from all participants (including the contribution in kind) is the lower than SAR 1,628,811,000, the fund will be terminated and all subscription amounts will be refunded to participants within five working days from the date of the cancellation (less any bank charges, bank transfers or currency exchange charges).
- If the total amount of subscription from of all participants (including in-kind contribution) is equal to the sum which is required to be collected (SAR 1,628,811,000); all offering units will be allocated as follows:
 - Priority of issuance of units shall be for the existing owners of initial real estate who will be issued units in the fund for their in-kind subscription. The units issued to existing owners will be 60% of the total fund units.
 - Upon completion of the allocation for the initial owners of real estate assets, units will be allocated to all participants, each subscriber by the amount of their contribution.
- If the total subscription amount from all participants (including in-kind contribution) exceeds the amount to be collected, which amounts to SAR 1,628,811,000 (that is after deduction of any applicable charges or fees), the allocation of units will be allocated as follows:
 - Priority of issuance of units shall be for the existing owners of initial real estate who will be issued units in the fund for their in-kind subscription. The units issued to existing owners will be 60% of the total fund units.
 - Upon completion of allocation to the owners of initial real estate assets, other subscriptions will be dealt with and the remaining value after the offering will be allocated as follows:
 - If the number of participants subscribing to the subscription is less than 651,524 subscribers, a number (100) units will be allocated to each subscriber, then the remaining units shall be

allocated on a pro rata basis to the subscribers, and the surplus funds shall be refunded within maximum five (5) business days from the closing date of the offering period

- If the number of participants participating in the subscription equals 651,524 subscribers, the number of 100 units per subscriber shall be allocated, and the surplus funds shall be returned within (5) working days from the closing date.
- If the number of participants participating in the subscription is more than 651,524 subscribers, the number of units below the minimum contribution will be allocated equally to all participants and the surplus funds shall be returned within five (5) working from the closing date.

The Fund's unitholders waive the right of first refusal, and therefore any property of the fund will be sold according to the investment strategy of the Fund.

j. Mechanism of Increasing the Fund's total assets value by accepting in-kind contributions or cash contributions, or both

In the event that the fund manager decides to increase the assets value of the fund, the fund manager will follow the procedures as stipulated in the regulations issued by the Capital Market Authority.

k. Timetable outlining dates expected to start offering the units until its trading

Event	Time Frame
Start date of Subscription	15 April 2018
End date of Subscription	3 May 2018
Subscription period	15 business days
Acquisition of real estate assets and listing of funds unit on Tadawul	90 calendar days from the end date of the subscription
Refund of surplus after subscription in the fund and allocation of units	Allocation of units (10 business days after the end of subscription)
Refund of subscribers, if the minimum capital required is not raised.	Refund of surplus (5 business days after allocation)

Cancelation and Refunds

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

- Inability to collect minimum subscription amounting to SAR 1,628,811,000.
- The number of public unit holders is less than 50.
- The public has subscribed to less than 30% of the units.
- In the event of inability to transfer ownership of the initial assets to the fund.
- For another reason identified by the fund manager after approval by CMA.

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

12 Trading of the Fund Units

a. Procedures of trading the REIT fund units on the Exchange

Internal Use

Upon listing, the units may be traded in the same way as listed companies shares trade on Tadawul. Therefore, unitholders and investors may trade during the normal trading hours announced by Tadawul and through a capital market institution.

Acquiring units from Tadawul shall be considered an acknowledgment from the buyer that it has read and accepted these Terms and Conditions.

b. Events that result in suspension of the fund and the cancelation of listing

The fund manager may, after the approval of the Capital Market Authority, suspend the trading of the fund's units temporarily or cancel their listing, if he provides the specific reasons for the request for suspension or cancellation.

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

- The CMA considers it necessary for the protection of investors or the maintenance of an orderly market.
- The Fund Manager fails, in a manner, which the CMA considers material, to comply with the Law and its Implementing Regulations.
- Failure to fulfill liquidation requirements set out in sub-paragraph (2A) and subparagraph (2B) of paragraph (b) of Clause (IV) of REIT's instructions.

13 Dividend Policy

The fund will distribute at least (90%) of the fund's annual net profits to the unit owners semi-annually at the end of October and at the end of April of each calendar year, except for unrealized capital gains that may come from the appreciation of real estate.

Capital gains from the sale of real estate assets will be invested money market instruments until suitable real estate assets are identified for acquisition by the fund. If no new investment opportunities are identified within one year of receipt of proceeds from the sale of an asset, fund manager will distribute such amounts with the upcoming dividend.

14 Termination and Liquidation of the Fund

a. Events that will result in the termination of the fund.

The Fund may be terminated in any of the following cases:

- At the end of the term of the fund.
- If all Fund assets are disposed and all proceeds of such dispositions have been distributed to the Unitholders.
- There is a change to the laws, regulations or other legal conditions or there are material changes to the market conditions in Saudi Arabia and the Fund Manager considered that a justified reason to terminate the Fund.
- In accordance with a decision issued by the Capital Market Authority or by its regulations.
- In the event the purchase of the real estate is not completed within ninety (90) days after the Fund Manager has acquired the real estate and successfully completed the Offering Period.
- If the amount is raised but the asset is not acquired or if the asset is acquired but units are not listed on Tadawul.

b. Procedures followed to terminate and liquidate the fund, in addition to the liquidation timetable.

Each case requires the approval of the Fund Board and the Capital Market Authority. Unitholders and the CMA will be notified within 30 days of the occurrence of a Termination Event.

In the event of termination of the Fund because of any of the above, the fund manager will immediately initiate the fund's liquidation procedures, without prejudice to the terms and conditions of the Fund. The Fund Manager will perform liquidation tasks by terminating the fund and distributing its assets to the unit owners, taking into account the interest of the unit owners.

15 Fees, services charges, commissions and management expenses

- a. All fees and charges listed below shall be borne by the Fund and shall be borne accordingly by the unitholders as follows:

1. Fees paid by unit owners upon participating in the fund	
Subscription fees	There are no subscription fees for investors subscribing into the fund
2. Fees Payable to fund manager	
Management fees	Management fees are calculated at 0.50% per annum of the total value of fund assets after deduction of expenses and is paid on a quarterly basis. This includes all contracts signed by the Fund Manager with any third party, including (APEX)
Capital Structuring Fee	The Fund will pay the Fund Manager an equity-structuring fee (the "Structuring Fee") equal to 1.5% of the Subscription Amounts raised during the Initial Offering Period or on any subsequent equity raised by means of rights issue or in-kind contributions. The Equity Structuring Fee shall be payable once immediately upon the closing of any equity raising arrangement in return for the fund manager conducting the necessary investigation, negotiating the terms of purchase or sale and completing the process. The structuring fee is payable upon completion of the purchase or sale of each real estate asset and will be deducted from the fund and this fees will apply to the initial assets of the acquisition.
Transaction expenses	The fund will incur all transaction expenses such as sale, purchase, acquisition of assets and consultancy and legal costs. In addition, commissions may be paid for buying and selling, any other expenses or costs associated with purchases, sales, or other transactions associated with the work and activities of the Fund, whether for other parties with contractual relationships to IFAD projects, related parties, governmental or official bodies, or service providers. Such expenses will be disclosed (if any) in the financial disclosure summary at the end of each year, but not exceeding 1% of the total value of the fund's assets.
3. Brokers fees	
Brokers Fees	None
4. For services provided by the Custodian	
Custody Fees	0.025% per annum of the Fund's net assets SAR 30,000 per year for the Zakat certificate and financial statements SAR 60,000 for the establishment of a Special Purpose Vehicle (SPV) (one-time payment)
5. For services provided by the Auditor	
Audit Fees	The auditor will receive a total fees of SAR 110,000 per year
6. Commissions resulting from financial loans	
Financing expenses	The Fund shall bear all costs of financing including fees and expenses related to the arrangement and structure of the Fund's loans if any and interest payments on such loans at prevailing market rates.
7. Registration fees and other administrative services	
Property Manager Fees	Annual fees equal to 5% of the net revenue for real estate managed by the property manager where it is responsible for the management, marketing and maintenance of the property and for the search for an alternative tenant. In the case where real estate has an operator, the property manager will earn a fee equivalent to 1% of net revenue of these properties as the operator will work on the management, maintenance and operation of the asset and the property manager shall work in collaboration with the operator.
Development fees	The Fund Manager will negotiate on development fees, which will be borne by Fund and paid to developers on an arm's-length basis and in compliance with market rates with a maximum of 15% from the development cost. For the avoidance of doubt, the Fund has not incurred any development fees in relation to the Initial Real Estate Assets.
Fees for independent Real estate Appraisers	The Fund shall bear all the costs of real estate appraisers and according to the market price, and in any event, only the actual fees and charges will be deducted in the future.

Fees for engineering and consultancy service providers	The Fund shall bear the actual expenses related to the technical and engineering services that may be required by the fund manager to ascertain the work of the property Manager/Developer/or any of the contractors, including, but not limited to: making sure the project is functioning, the quality of the business execution, the claims, etc. In any case, only actual fees and charges will be deducted and will be capped at 15% of the project establishment costs.
Remuneration of independent members of the Fund Board ⁽¹⁾	The members of the Fund Board will receive SAR 15,000 per meeting, up to a maximum of SAR 120,000 per annum to be paid at the end of each year. The fund board members will not receive any bonuses from the fund.
Listing and registration fees	<p>The fund will be charged for services provided by the Tadawul, and the fees shall be as follows:</p> <ul style="list-style-type: none"> ■ Registration Fees <ul style="list-style-type: none"> ▪ SAR 50,000, plus SAR 2 per Unitholder, subject to a maximum of SAR 500,000 shall be paid to Tadawul in return for setting up a register of Unitholders; and ▪ SAR 400,000 shall be paid to Tadawul in return for managing the register of Unitholders. This fees can vary from time to time depending on the Fund's capital size. ■ Listing Fees <ul style="list-style-type: none"> ▪ SAR 50,000 as initial listing fees; and ▪ 0.03% of the market value of the Fund (subject to a minimum of SAR 50,000 and a maximum of SAR 300,000) annually.
Regulatory Fees	SAR 7,500 to be paid to CMA annually
Fees of publishing information on Tadawul's website	SAR 5,000 per annum is paid in exchange for the dissemination of information on Tadawul. The fees will be prorated for the number of days of the year, and the fees payable shall be paid annually.
8. Other fees and expenses.	
Other expenses	The Fund shall be liable for all costs and expenses attributable to the activities, investments and divestments of the Fund. Expenses related to third party services such as legal, advisory, accounting, asset valuation, governmental costs paid to regulators and the CMA, related insurance costs and other professional services in addition to income purifications costs (if any), bank charges including those relating to transfer charges between bank or investment accounts, or any other incidental expenses including, but not limited to, the expenses and costs of establishing the Fund, expenses relating to the printing and distribution of the annual reports of the Fund and any other expenses or fees due to persons dealing with the Fund in respect of administrative and operational services, unit holder meeting expenses). These will not exceed 1% (1 per cent) of the gross value of the Fund's assets annually, and in all cases, only the actual charges and fees shall be deducted.
Zakat	<p>The Fund is subject to the provisions and regulations of the Zakat, Tax and Customs Authority, where applicable. The Fund Manager undertakes to register the Fund with the Zakat, Tax and Customs Authority within the statutory period. The fund manager will undertake all the requirements before the Zakat, Tax and Customs Authority in accordance with the relevant laws and regulations.</p> <p>The Fund Manager shall not be responsible for paying the Zakat of the Units for the investors. Unitholders shall be responsible for paying the Zakat of their own Units in the Fund.</p> <p>The Fund Manager will provide the Zakat, Tax and Customs Authority with all reports and requirements regarding zakat declarations in accordance with the Zakat Collection Rules for Investing in Investment Funds. The Fund Manager will also provide Unitholders with Zakat declarations upon request in accordance with the Zakat Collection Rules for Investing in Investment Funds. Unitholders who are subject to the provisions of the Zakat Collection Rules for Investing in Investment Funds shall calculate and pay Zakat on their</p>

	investments. The Zakat Collection Rules for Investing in Investment Funds can be found on the website of the Zakat, Tax and Customs Authority.
Value-Added tax	All fees and charges mentioned herein and / or any related documents do not include VAT unless otherwise specified. If VAT is imposed or may be imposed on any service provided to the Fund, the Fund will pay the Service Provider (in addition to any other charges or expenses) a sum equal to the value of the VAT on the VAT invoice of the Service concerned. If VAT is imposed or may be imposed on any service provided by the Fund, the Customer will pay Fund (in addition to any other charges or expenses) a sum equal to the value of such VAT.
Early redemption fees	
Not applicable	

Note 1: The fees, commissions and expenses due to Saudi Fransi Capital or other parties do not include VAT and the tax will be charged separately according to the prices set forth in the VAT system and its executive regulations. The Fund Manager also acknowledges that the fees mentioned in the above table are all fees charged to the Fund during the Fund's period without exception. The Fund Manager is fully responsible for the calculation of fees other than those mentioned in the above table.

b. Fee Calculation Methods

Type of fee	Rate imposed	Amount charged (SAR)	Calculation method	Payment Terms
Management fees	0.50%	-	Calculated daily from the total asset value of the fund after deduction of expenses (net asset value X percentage)	Paid annually
Subscription fees	0%	-	No subscription fees for investors in the fund	-
Capital Structuring Fee	1.5%	-	Capital structuring fees are calculated when buying or selling a real estate asset (Total purchase or sale price for each real estate X percentage)	Paid once upon any purchase or sale
Custody Fees	0,025%	-	Calculated daily from the total asset value of the fund (total value of assets X per cent)	Paid annually
Custody Fees	-	30,000	Calculated on a daily basis, by dividing the fee proportionally by the number of days of the year	Paid annually
Custody Fees	-	60,000	Payment to Custodian for establishment of Special Purpose Vehicle	Paid once when the Fund is established
Auditor Fees	-	110,000	Calculated on a daily basis, by dividing the fee proportionally by the number of days of the year	Paid annually
Financing expenses	Such expenses will be disclosed in the financial disclosure summary at the end of the year.			
Property manager's fees where there is not real estate operator	5%	-	From net revenue for the real estate properties where property manager is responsible for the management, marketing and maintenance of the property and for the search for an alternative tenant	Paid annually
Property manager fees with a real estate operator	1%	-	From net operating income of real estate properties which are under the supervision of the	Paid annually

			property manager while another party is responsible for the management, marketing and maintenance of the property	
Development fees	According to the market price, these expenses will be disclosed in the financial disclosure summary at the end of the year, if any.			
Fees for independent Real estate Appraisers	These charges will be disclosed in the financial disclosure summary at the end of the year.			
Fees for engineering and consultancy service providers	Such expenses will be disclosed in the financial disclosure summary at the end of the year, if any.			
Tadawul Annual Fees for maintaining Unitholder Register	-	400,000	Calculated on a daily basis, by dividing the fee proportionally by the number of days of the year	Paid annually
Registration fees at inception	-	50,000 – 500,000	Paid in advance and charged to unit owners	Paid Once upon establishment
Listing fees	0.03%	Up to a minimum of 50,000 Saudi riyals and a higher capacity of SAR 300,000	Market value of the fund X percentage	Paid annually
Listing fees at inception	-	50,000	Paid in advance and charged to unit owners	Paid Once upon establishment
Remuneration of independent members of the Board of Directors	A maximum of SAR 120,000 payable every 12 months. Such expenses will be disclosed in the financial disclosure summary at the end of the year. ⁽¹⁾			
Regulatory fees paid to CMA	-	7,500	Calculated on a daily basis, by dividing the fee proportionally by the number of days of the year	Paid annually
Fees for publishing information on Tadawul	-	5,000	Calculated on a daily basis, by dividing the fee proportionally by the number of days of the year	Paid annually
Value-Added tax	As stipulated in the value-added tax system and its implementing regulations issued by the Zakat, Tax and Customs Authority	-	On all fund expenses if they are subject to added tax	When applicable
Other expenses	These expenses will be disclosed in the financial disclosure summary at the end of the year but up to a maximum of 1% of the total assets of the Fund			

Note 1: The fees, commissions and expenses due to Saudi Fransi Capital or other parties do not include VAT and the tax will be charged separately according to the prices set forth in the VAT system and its executive regulations. The Fund Manager also acknowledges that the fees mentioned in the above table are all fees

charged to the Fund during the Fund's period without exception. The Fund Manager is fully responsible for the calculation of fees other than those mentioned in the above table.

c. Hypothetical Example of how fees are calculated

Assuming a contribution of SAR 10,000 and a Fund Size of SAR 500,000,000, the return on the funds unit after deduction of all expenses shall be as follows:

Type of Fees	Fee Amount	Fee Amount Per Unit
Custody Fees	0.025%	0.34
Audit Fees	110,000	0.11
Registration and listing fees	700,000	0.70
Regulatory fees	7,500	0.01
Publishing fees	5,000	0.01
Total investment value after deduction of expenses		998.78
Management fees	0.50%	4.99
Total of Recurring annual fees and charges		6.21
Net return on investment for one year (assuming a hypothetical 10% return for 1 year)		100
Net investment value for a year		1,093.79

- d. The fund manager acknowledges that the fees listed in the above table are all the fees that will be charged to the fund during the fund period. The fund manager is fully responsible for calculating and charging the fees mentioned in the table above.

16 Insurance Contracts

Property 1 – Commercial Sector – Al Rashid Mega Mall Madinah

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Electrical tools E - Furniture and fittings F - Computers and printers G - Inventory H - Loss of rent	A - Terrorism B - War C - Sabotage	A - General Liability

Property 2 – Commercial Sector – Al Rashid Mall Abha (Usufruct)

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Electrical tools E - Furniture and fittings F - Computers and printers G - Inventory H - Loss of rent	A - Terrorism B - War C - Sabotage	A - General Liability

Property 3 – Commercial Sector – Al Rashid Mall Jazan (Owned)

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
-------------------	--	----------------------------	--

Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Electrical tools E - Furniture and fittings F - Computers and printers G - Inventory H - Loss of rent	A - Terrorism B - War C - Sabotage	A - General Liability
-------------------------	---	--	-----------------------

Property 4 – Commercial Sector – Al Rashid Strip Mall (Owned)

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Loss of rent	A - Terrorism B - War C - Sabotage	A - General Liability

Property 5 – Hospitality Sector – Courtyard Marriott Hotel (4 Stars) (Owned)

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Electrical tools E - Furniture and fittings F - Computers and printers G - Inventory H - Loss of profit - specific	A - Terrorism B - War C - Sabotage	A - General Liability

Property 6 – Hospitality Sector – Residence Inn by Marriott (4 Star Apartments) (Owned)

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Electrical tools E - Furniture and fittings F - Computers and printers G - Inventory H - Loss of profit - specific	A - Terrorism B - War C - Sabotage	A - General Liability

Property 7 – Hospitality Sector – Al Rashid Residences (5 Star Apartments) (Owned)

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building E - Furniture and fittings C - Loss of profit - specific	A - Terrorism B - War C - Sabotage	A - General Liability

Property 8 – Residential Sector – Citywalk Residential Building - Dubai (Owned)

Insurance Company	Royal & Sun Alliance Insurance Company ⁽¹⁾
--------------------------	---

Type of coverage	A – Building & Common Areas B - General Liability C – Personal accident D – Machinery failure
-------------------------	--

Note 1: Insurance contracts in the United Arab Emirates were signed with the company of Artar real estate development and transferred automatically to the owner in the case of sale, so the insurance will cover the assets after the transfer of ownership of the Fund.

Property 9 – Residential Sector – Al Rafiah Village (Owned)

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Electrical tools E - Furniture and fittings F - Computers and printers G - Inventory H - Loss of rent	A - Terrorism B - War C - Sabotage	A - General Liability

Property 10 – Residential Sector – Al Maather Villas Complex (Owned)

Insurance Company	Gulf General Cooperative Insurance Company	Wataniya Insurance Company	Gulf General Cooperative Insurance Company
Type of coverage	A - Building B - Air conditioning system C - Tools and equipment D - Furniture and fittings E - Loss of rent	A - Terrorism B - War C - Sabotage	A - General Liability

Property 11 – Commercial Sector – Office Building (Owned)

Property 12 – Commercial Sector – Office Building (Owned)

17 The Fund's Assets

a. Registration Mechanism of the Fund's Assets

Title deeds of real estate assets owned by the fund will be registered under the name of an Special Purpose Vehicle (SPV) owned by the Custodian. Such structure shall maintain tax efficiency and regulatory compliance and provide maximum legal protection for investors. The Custodian shall not have any interest in or claims against the Fund assets, except in its potential capacity as a Unitholder. Creditors of the Custodian shall not have any interest in any Fund assets. The Fund may receive funding from one or more financial institutions. In this case, the assets of the Fund may be pledged for an entity financed under financing terms and conditions. The fund manager is entitled to change the custodian of the fund after securing the approval of the Fund Board and CMA.

The fund manager is also entitled to sell all of the fund's real estate assets after taking the necessary approvals, including all assets that have not been fully paid, and if any of these conditional assets were to be sold, the fund would be obligated to pay its remaining conditional amounts to the seller according to the amount agreed in the sales agreements. The seller is not entitled to rent any of the conditional assets, either directly or indirectly, in order to avoid future conflicts of interest.

b. Detailed Statements

1. Names of the accredited valuers to the fund's assets

Accredited Valuers
Valuation (Saudi Asset Valuation Company)
ValuStrat
Knight Frank

2. Method of Asset Valuation

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

The fund manager also acknowledges that the independent valuers are licensed by the Saudi Authority for Accredited Valuers and are accredited in accordance with the approved regulations and the fund manager will not appoint an unlicensed valuer. In addition, the fund manager obtains an acknowledgement from the accredited evaluators on a code of ethics and conduct for the evaluation profession issued by Saudi Authority for Accredited Valuers. The concerned valuers will be provided with the necessary information concerning the real estate assets to be evaluated, which would enable the valuer to provide the report in a clear and accurate manner.

The Net Asset Value of one Unit ("Unit NAV") will be calculated by deducting total liabilities of the Fund, including any liabilities, accrued fees, and expenses due by the Fund during the calculation period from Fund total assets, and the output will be divided by the number of the Fund Units for the same period. Such value shall be an indicative value of the Fund's unit. Valuation of the assets of the Fund may not be adequate to potential buyers in the event of liquidation or sale of real estate assets. Valuation conducted by the valuers of real estate assets is subject to assumptions used in valuations by each appraiser and is an indicative indicator of the value of real estate assets. Real estate assets may be sold at a higher or lower price as per the best demand price on the market when offering real estate assets for sale. However, the Fund Manager shall endeavor to sell any real estate asset at a price not less than the average valuation in accordance with the prevailing market conditions and the conditions of the real estate in the best interests of investors in the Fund. Total assets are the sum of all real estate assets, cash, accrued profits, and other receivables and the market value of all non-real estate investments together with the current value of any other assets held. The Fund Manager shall exercise its reasonable judgment in determining the values to be attributed to assets and liabilities, provided it is acting in good faith in the interest of the Fund as a whole. For purposes of determining the real estate assets Value, the Fund Manager shall use the average of the valuations conducted by two (or more) independent valuers licensed by the Saudi Authority of Accredited Valuers.

The Fund may be terminated in any of the following cases:

- **Market Comparison Standard:** This method provides indicators of value by comparing the asset that is evaluated with identical or similar assets for which the price information is available. The first step is to study recent transaction prices of similar assets in the market, and if the transactions that have taken place are few, it is also better to study the prices of the corresponding or similar assets listed or offered for sale. This information is should be clearly and objectively analyzed.
- **Cost Comparison Standard:** This method provides indicators of value using the economic principle that the buyer does not pay for the purchase of an asset more than the cost of obtaining an asset that has the same benefit either by purchase or construction and is based on the principle that the price paid by the buyer in the market will be no more than the cost of purchasing or creating an equivalent asset unless there are factors such as inappropriate timing and other risk factors.
- **Income Comparison Standard (Capitalization):**
 - This method provides indicators of value by discounting future cash flows into a single net present value.
 - This method deals with the income earned by the asset during its productive life (life span) and the value is estimated through the capitalization process. Capitalization means converting the income into a capital amount using an appropriate discount rate. Income flows are generated

under contracts or non-contractual arrangements based on the expected profit from the use or retention of the asset.

- The methods that fall under the income method include capitalization by applying the risk factor or total capitalization to a single normal income period.

The total value of the fund's assets is the sum of all real and cash assets, accrued profits, receivables and market value of all non-real estate investments, as well as the present value of any other assets owned by the fund. For the purpose of valuing real estate assets, the fund manager shall use the average value obtained from two (or more) independent real estate appraisers licensed by the Saudi Authority Accredited Valuers.

3. Cost of Valuation for Each Asset

Saudi Asset Valuation Company (Tathmeen)			
Name of Property	Property Value	Date of Evaluation	Valuation Method
Al-Rafiah Residential complex-Riyadh	180,000,000	25/01/2018	Income comparison method (Capitalization)
Al-Ma'ther complex-Riyadh	5,707,000	25/01/2018	Income comparison method (Capitalization)
Al Rashid Strip Mall Complex-Riyadh-	23,294,000	25/01/2018	Income comparison method (Capitalization)
Al Rashid Mall – Jazan	192,468,215	25/01/2018	Income comparison method (Capitalization)
Courtyard Marriott-Jazan	84,252,215	25/01/2018	Income comparison method (Capitalization)
Marriott Inn Residence-Jazan	52,308,459	25/01/2018	Income comparison method (Capitalization)
Al Rashid Mega Mall-Medina	505,920,854	25/01/2018	Income comparison method (Capitalization)
Al Rashid Residence-Medina	64,872,058	25/01/2018	Income comparison method (Capitalization)
Al Rashid Mall- Abha	457,590,000	25/01/2018	Income comparison method (Capitalization)

Valustrat			
Name of Property	Property Value	Date of Evaluation	Valuation Method
Al-Rafiah Residential complex-Riyadh	190,000,000	10/12/2017	Income comparison method (Capitalization)
Al-Ma'ther complex-Riyadh	5,400,000	10/12/2017	Income comparison method (Capitalization)
Al Rashid Strip Mall Complex-Riyadh-	21,600,000	10/12/2017	Income comparison method (Capitalization)
Al Rashid Mall - Jazan	210,000,000	90/12/2017	Income comparison method (Capitalization)
Courtyard Marriott-Jazan	92,000,000	09/12/2017	Income comparison method (Capitalization)
Marriott Inn Residence-Jizan	57,000,000	09/12/2017	Income comparison method (Capitalization)
Al Rashid Mega Mall-Medina	496,000,000	10/12/2017	Income comparison method (Capitalization)
Al Rashid Residence-Medina	71,000,000	10/12/2017	Income comparison method (Capitalization)
Al Rashid Mall- Abha	482,000,000	10/12/2017	Income comparison method (Capitalization)
City walk building (2B) 69 Units	273,293,700	10/12/2017	Income comparison method (Capitalization)

Knight Frank Company			
Name of Property	Property Value	Date of Evaluation	Valuation Method

City walk building (2B) 69 Units		265,964,857	31/12/2017	Income comparison method (Capitalization)
	Average Fair Value (SAR)	Acquisition Price (SAR)	Conditional Payment (40% of Asset Value)	Difference Between Acquisition Price & Fair Value (%)
Residential Sector				
Al-Rafiah High complex	185,000,000	190,000,000	-	2.70%
AlMa'ther high Complex	5,553,500	5,500,000	-	-0.96%
City Walkk apartment building (2b) 69 units	269,629,278.5	273,000,000	-	1.25%
Hospitality Sector				
Courtyard Marriott	88,126,108	90,000,000	-	2.13%
Marriott Residence Inn Apartments	54,654,285	55,500,000	-	1.55%
AlRashid residence	28,400,000	42,600,000	28,400,00	4.51%
Commercial Centers				
AlRashid Mall-Jazan	-	206,000,000	201,234,108	2.37%
AlRashid Mega Mall - MEDINA	-	505,500,000	500,960,427	0.91%
AlRashid Mall-Abha ⁽¹⁾	148,800,000	223,200,000	469,795,000*	-20.82%
Al Rashid Strip Mall Complex	8,960,000	13,440,000	22,447,000	-0.21%

Note 1: This price is the price of the property as a whole as evaluated by the independent evaluator and not of the utility contract.

4. Number and Timing of Valuation

The assets of the Fund will be evaluated at least twice a year, specifically on 30 June and 31 December of each calendar year, through two independent appraisers accredited by the Saudi authority for certified residents and as required by regulations issued by the Capital Market Authority. The fund manager may postpone the valuation after obtaining the approval of the financial Market Authority under article 22 of the real estate investment funds regulation. If there is a difference between the values of the two evaluators, the average of the two values will be used as the fair value of the property.

c. Announcing the net assets value for each unit

The fund manager will announce the mid-year net asset value per unit within 30 days and 40 days for the end year net asset value per unit of the respective valuation day. The announcement will be made through the website of the Saudi Stock Exchange (Tadawul) and the website of the fund manager. The reports submitted to the unit owners will also contain the net asset value of the respective fund.

The fund manager will also publish the Fund's evaluation reports on its website and the website of the Saudi Stock Exchange (Tadawul) on a regular basis as required by the regulations issued by Capital Market Authority.

d. Valuation of the Initial Real Estate Assets

Saudi Asset Valuation Company (Tathmeen)			
Name of Property	Property Value	Date of Valuation	Valuation Method
Al-Rafiah Village – Riyadh	180,000,000	25/01/2018	Income comparison method (Capitalization)
Al-Maather Complex – Riyadh	5,707,000	25/01/2018	Income comparison method (Capitalization)
Al Rashed Strip Mall – Riyadh	23,294,000	25/01/2018	Income comparison method (Capitalization)
Al Rashed Mall – Jazan	192,468,215	25/01/2018	Income comparison method (Capitalization)
Courtyard by Marriott – Jazan	84,252,215	25/01/2018	Income comparison method (Capitalization)
Residence Inn by Marriot – Jazan	52,308,459	25/01/2018	Income comparison method (Capitalization)
Al Rashed Mega Mall – Madinah	505,920,854	25/01/2018	Income comparison method (Capitalization)
Al Rashed Residences – Madinah	64,872,058	25/01/2018	Income comparison method (Capitalization)
Al Rashed Mall – Abha	457,590,000	25/01/2018	Income comparison method (Capitalization)

Valustrat			
Name of Property	Property Value	Date of Valuation	Valuation Method
Al-Rafiah Village – Riyadh	190,000,000	10/12/2017	Income comparison method (Capitalization)
Al-Maather Complex – Riyadh	5,400,000	10/12/2017	Income comparison method (Capitalization)
Al Rashed Strip Mall – Riyadh	21,600,000	10/12/2017	Income comparison method (Capitalization)
Al Rashed Mall – Jazan	210,000,000	90/12/2017	Income comparison method (Capitalization)
Courtyard by Marriott – Jazan	92,000,000	09/12/2017	Income comparison method (Capitalization)
Residence Inn by Marriott – Jizan	57,000,000	09/12/2017	Income comparison method (Capitalization)
Al Rashed Mega Mall – Madinah	496,000,000	10/12/2017	Income comparison method (Capitalization)
Al Rashed Residences – Madinah	71,000,000	10/12/2017	Income comparison method (Capitalization)
Al Rashed Mall – Abha	482,000,000	10/12/2017	Income comparison method (Capitalization)
City walk building (2B) 69 Units	273,293,700	10/12/2017	Income comparison method (Capitalization)

Knight Frank Company			
Name of Property	Property Value	Date of Evaluation	Valuation Method
City walk building (2B) 69 Units	265,964,857	31/12/2017	Income comparison method (Capitalization)

18 Fund Board**a. The Board Members of the Fund**

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

announcement on the Fund Manager and Tadawul's websites. The Fund Board comprises the following members:

- **Mr. Shahjahan Q. Mirza, CFA - Head of Asset Management at Saudi Fransi Capital (Chairman):** Over 15 years of experience in investment management having worked in research, portfolio management, investment advisory, product development & structuring in both local and international markets. Shahjahan became the Head of Asset Management at Saudi Fransi capital in 2015. He holds a bachelor's degree in Commerce & Finance from the University of Toronto (2001) and is a CFA charterholder.
- **Mr. Sulaiman Abdulrahman Saad Al-Rashed (non-independent member):** Mr. Al-Rashed has years of experience in the fields of real estate and finance. He began his career in the banking sector as a corporate banker at Banque Saudi Fransi. He has been the CEO of Abdul Rahman Saad Al-Rashed & Sons Company since 2012. He holds a bachelor's degree in finance from Prince Sultan University in Riyadh.
- **Mr. Mohamed El-Sayed (non-independent member):** Mr. Sayed has 13 years of experience in the fields of accounting and finance. He has held several positions in the financial sector since 2004. Mr. Sayed has been the Chief Financial Officer of Abdul Rahman Saad Al-Rashed & Sons Company since 2013. He holds a bachelor's degree in accounting from Alexandria University in Egypt.
- **Faisal Mohammed Abdulrahman Al-Omran (Independent member):** Mr. Al-Omran has 11 years of experience in the banking and investment sectors in and outside the kingdom. Faisal Al-Omran began his career as a financial analyst at Banque Saudi Fransi in 2002 and then moved to SABB Bank where he worked as a relationship manager for 2 years. He continued his career with firms such as Investcorp until he became co-founded his own real estate advisory firm, Neo Capital, operating between London, Dubai and Saudi Arabia. He holds a bachelor's degree in accounting from King Saud University in Riyadh.

b. Expected Total Fund Board Remuneration

The remuneration paid to members of the Fund Board will be SAR 100,000 (one hundred thousand Riyals) per member per annum. It is paid at the end of every year to all the members with the exception of members who are part of the fund management team.

c. Description of the nature of the provided services by the fund board

The responsibilities of the fund board include but are not limited to the following:

- Ensure that the Fund Manager carries out its responsibilities in a manner that would achieve the overall interest of Unitholders in accordance with these Terms and Conditions and the Real Estate Investment Funds Regulations and the REIT Instructions;
- Approve all material contracts, decisions and reports involving the Fund, including but not limited to development agreements, custody agreements, marketing agreements and valuation reports;
- Approve these Terms and Conditions and any amendments thereto;
- Ratify any conflict of interests disclosed by the Fund Manager;
- Approve the appointment of the auditor nominated by the Fund Manager;
- Meet at least twice annually with the compliance officer of the Fund Manager and AML/counter-terrorism reporting officer to ensure that the Fund Manager is in compliance with all applicable rules and regulations
- Ensure that the Fund Manager discloses all material information to Unitholders and other stakeholders;
- Work in good faith, reasonable care and diligence to achieve the overall interests of the Fund and Unitholders

The fund manager shall provide all necessary information relating to the Fund's matters to all members of the Board to assist them in carrying out their duties.

d. Other investment funds managed by any member of the fund's board

Fund Board Member Name	Fund	Fund Manager	Membership Type
Shahjahan Mirza	Taleem REIT	Saudi Fransi Capital	Fund Board Chairman
Mohamed El-Sayed	None	None	None
Faisal Al-Omran	None	None	None
Sulaiman Al-Rashed	None	None	None

e. All board members of the fund fulfill the following eligibility requirements

The fund manager acknowledges that all members of the Fund's board fulfill the following eligibility requirements:

- the member has not been bankrupt or subject to any bankruptcy or insolvency proceedings
- the member has not committed an offense involving fraud or acted in breach of integrity and honesty
- the member possesses the necessary experience and expertise

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

19 Fund Manager

a. Name and address of the fund manager

Saudi Fransi Capital (Closed Jointed Stock Company owned by Banque Saudi Fransi)
 Head Office: 8092 King Fahd Road, Riyadh 12313-3735 – Kingdom of Saudi Arabia
 Mailing Address: PO Box 23454, Riyadh 11426, Saudi Arabia
 Phone +966 11 282 6666 - Fax: +966 11 282 6725
 Web Address: www.sfc.sa

b. Saudi Fransi Capital is licensed under the Capital Market Institutions Regulations and is under the supervision and control of the Capital Market Authority under license 11153/37 dated 26/02/1432H (30/01/2011).

c. A letter from the fund manager regarding the due diligence report

The Fund Manager submitted the professional care report.

d. Functions, duties and responsibilities of the fund manager

The Fund Manager shall appoint an investment portfolio manager registered with the CMA in accordance with the Authorized Persons Regulations issued by the CMA to oversee management of the Fund. The Fund Manager will provide management and other services to the Fund, including but not limited to the following:

- Identify investment opportunities and carrying out the sale and purchase of the Fund's assets.
- Set out the decision-making procedures that should be followed when executing the business and projects of the Fund.
- Inform the CMA of any material event or development that might affect the Fund's business.
- Comply with all laws and regulations valid in the Kingdom relating to the Fund's business.
- Manage the Fund's assets for the benefit of the investors in accordance with the Terms and Conditions; ensuring the legality and validity of all contracts concluded for the benefit of the Fund.
- Ensure the legality and validity of all contracts concluded for the benefit of the Fund.
- Implement the Fund's investment strategies described herein.
- Arrange, negotiating and executing Shariah-compliant debt financing documentation on behalf of the Fund.
- Appoint the Shariah Board and securing their approval that these Terms and Conditions comply with Islamic Shariah.
- Oversee the performance of the Fund's contractual counterparties.
- Arrange the liquidation of the Fund upon its termination.
- Provide the Fund Board all necessary information relating to the Fund to enable the Fund Board members to perform their responsibilities completely.
- Consult with the fund's board of directors to ensure compliance with the regulations of the Capital Market Authority and these terms and conditions.

The fund manager is also responsible for any losses incurred by the Fund because of the fund manager's negligence or willful misconduct.

e. Provisions governing the removal/replacement of fund manager

The Authority may dismiss the fund manager in relation to a specific real estate investment fund and take any action it deems appropriate to appoint a replacement fund manager for that fund or take any other measure it deems appropriate in the event of any of the following cases:

- The fund manager has stopped practicing the activity of managing investments and operating funds without notifying the Authority according to the Capital Market Institutions Regulations.
- Cancellation, withdrawal or suspension of the fund manager's license to engage in investment management and fund operation by the Authority.
- Submit a request to the Authority from the fund manager to cancel his license to practice the activity of managing investments and operating funds.
- If the Authority considers that the fund manager has breached - in a manner that the Authority deems essential - to comply with the laws or its implementing regulations.
- The death, disability, or resignation of the investment portfolio manager managing the assets of the REIT, with no other person registered with the fund manager capable of managing the assets of the REIT or the assets of the funds managed by the investment portfolio manager.
- Issuance of a special decision for the fund by the unit owners of the closed fund asking the Authority to dismiss the fund manager.
- Any other case that the Authority deems, on reasonable grounds, to be of material importance.

f. Any other business activities or interests of the fund manager or its board members, that are of significance or could potentially conflict with those of the investment fund.

Until the date of preparing these terms and conditions, there have been no transactions involving a fundamental conflict of interest between the interests of the fund and the interests of the fund's board members or any other parties. However, the members Suleiman Saad Abdul Rahman Al-Rashed and Muhammad El-Sayed Abdullah Mohammad represent the companies selling the assets and the property manager in the fund.

The Fund Manager shall have no interest in or claims against the Fund's assets, except to the extent that it owns Units in the Fund. The creditors of the fund manager have no interest in any assets of the fund.

g. Description of any conflict of interest that could potentially affect the fund manager in performing its duties toward the fund.

Except for the conflicts disclosed in the section (Conflict of Interest) of these terms and conditions, there is no material conflict of interest for the fund manager, either internally or with any other third party, which is likely to affect the performance of the fund manager's obligations to the Fund.

If any conflict of interest is to arrive in future, the fund manager commits to

- Disclose the conflict of interest to the Fund's board of directors
- Disclose conflicts of interest in the terms and conditions of the Fund and its periodic reports
- Immediately disclose the conflicts of interest that may arise during the operation of the Fund

h. Functions and powers that have been delegated to a third party

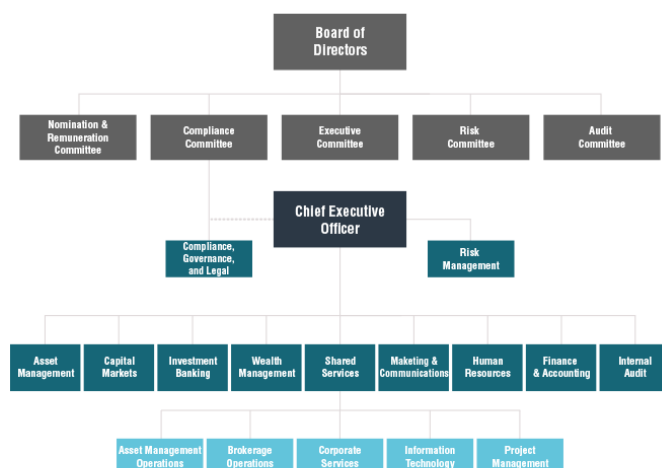
The fund manager has not assigned a third party to manage the fund.

i. Disclosure if the fund manager intends to invest in the fund's units, and the value of such investments

Neither the fund manager nor its affiliated companies will invest in the fund during the subscription period or after the listing of the Fund's units on Tadawul. Affiliates would mean any other legal person who may be under the direct or indirect control of the fund manager.

j. A summary of the fund manager's structure of asset management and the total assets value under its management. In addition to the number of public funds and their size and the number of the asset management employees.

Organizational Structure of the Capital Market Institution



Organizational Structure of Asset Management Division



The number of registered employees in Asset Management is 20.

Overview of Saudi Fransi Capital

Saudi Fransi Capital is the investment arm of Banque Saudi Fransi, where it was trademarked with a paid up capital of 500 million Saudi Riyals as a closed joint stock company. It is licensed by the Capital Market Authority to conduct the full range of investment activities including dealing, arranging, managing, advising, and custody of securities business.

Today, we stand as a leading, full-service Saudi-based financial services provider offering investment banking, asset management, debt and equity research, institutional sales and trading, and local and international securities brokerage. We are headquartered in Riyadh and have locations around the Kingdom of Saudi Arabia.

Asset Management

We are one of the leading providers of managed investment solutions for individuals, corporations and institutions. The extensive range of products and services that are offered reflects our drive to satisfy each client's unique needs. Today, our range of products covers equity, fixed income, money markets, and alternative investments such as real estate, hedge funds, structured products, and private equity. Our products cover all major asset classes. It includes all our public and private funds, and, our closed-ended private placements.

Investment Banking

We are actively involved in raising capital through the equity and debt capital markets and providing strategic and mergers and acquisitions advisory in the Kingdom of Saudi Arabia and the region. Our services include advising and arranging sukuk and bonds, initial public offerings, rights issue, private placements, mergers and acquisitions, and capital and debt restructuring. We also provide advisory services for companies abroad that wish to cross list on the Saudi stock exchange.

Securities Brokerage

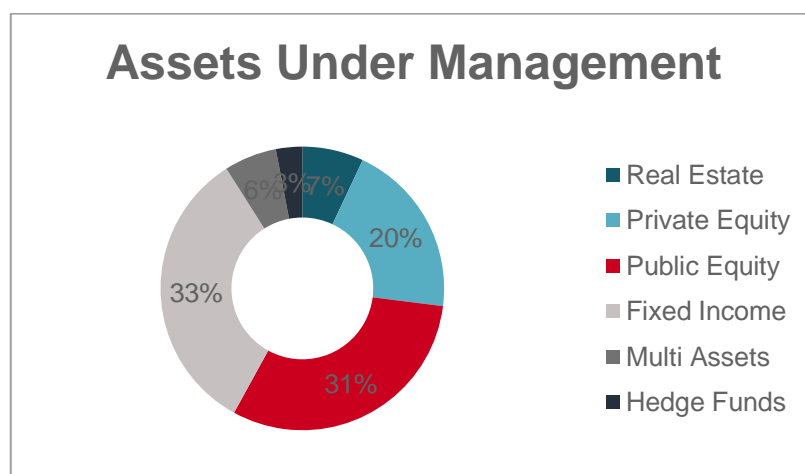
Our brokerage services are comprised of local, regional and global equity markets, swaps on equity, exchange-traded funds, options, fixed income and margin lending facilities both conventional and Sharia compliant. We provide different interfaces for our trading platform whether the client requires in-person service, over the telephone, or through a web or smart device application.

Specialized Institutional Services

We attend to the needs of financial institutions by constantly developing new and innovative services in sales trading, custody and sukuk agency services. In addition, we facilitate access to the Saudi equity market for qualified foreign investors (QFI) and provide them numerous services. Our clients include banks, mutual funds, pension funds, hedge funds, insurance companies, brokers and other financial institutions around the world.

Equities Research

Through our exclusive focus on Saudi equities, our research provides fundamentally driven investment ideas to a diverse range of users with coverage representing the overall market capitalization across major sectors. Research forms an integral part of our equity sales effort by highlighting key investment themes and uncovering tradable ideas. In addition, we issue strategy reports to assist sophisticated investors in navigating volatile markets.



These assets are managed through private investment portfolios (DPMs) or through public funds (15 funds), private funds and private placement managed by the Fund Manager

20 Legal Advisor

There is no letter issued by the legal advisor, licensed to practice the profession in the Kingdom, regarding the legal due diligence report.

21 Custodian

a. Name of the custodian, address and the authorization number granted to it by the Authority.

Albilad Capital
 Smart Tower - First floor - Tahlia Street intersection with King Fahd Road
 P.O. Box 036, Riyadh, Saudi Arabia
 Website: www.albilad-capital.com
 Capital Market Authority License 08100-37

b. Functions, duties and responsibilities of the custodian

- The Custodian is responsible for its obligations in accordance with the provisions of the Investment Funds Regulations, whether it fulfils its responsibilities directly or assigns it to a third party under the provisions of the Investment Funds Regulations or the list of authorized persons.
- The Custodian is liable towards the Fund Manager and unitholders for the losses of the Fund resulting from its fraud, shortcoming, misbehavior or deliberate negligence.
- The Custodian is responsible for preserving and protecting the Fund's assets for the benefit of unitholders, and it is also responsible for taking all necessary administrative measures in relation to preserving the Fund's assets.

c. Functions related to the real estate investment traded fund in which the custodian has appointed a sub-custodian

The Custodian may assign a third party or more or any of its affiliates to work as sub-Custodian of the Fund, provided that the Custodian incurs the fees and expenses of any sub-Custodian.

d. Provisions governing the removal/replacement of custodian

The Capital Market Authority has the right to dismiss and replace the custodian and take any action it deems appropriate in the event of any of the following cases:

- The custodian stops practicing custody activity without notifying the Authority in accordance with the Financial Market Institutions Regulations.
- Cancellation, withdrawal or suspension of the custodian's license to practice custody activity by the Authority.
- Submit a request to the Authority from the custodian to cancel his license to practice custodian activity.
- If the Authority considers that the custodian has breached, in a way it deems essential, a commitment to the system or its implementing regulations.
- Any other case that the Authority deems - on reasonable grounds - to be of material importance.

The fund manager has the right to dismiss and replace the custodian in the following cases:

- The fund manager may dismiss the custodian by written notice if it reasonably considers that the dismissal of the custodian is in the interest of the unit holders, and the Authority and the unit holders must be notified of this immediately and in writing, and immediately disclosed on the fund manager's website and website.
- If the Authority or the fund manager exercises any of their powers in accordance with the previous paragraph, the fund manager must appoint a replacement custodian in accordance with the provisions of the Investment Funds Regulations issued by the Capital Market Authority, and the fund manager and the isolated custodian must cooperate fully to facilitate the smooth transfer of responsibilities to the replacement custodian. The isolated custodian must transfer - where necessary and appropriate - to the replacement custodian all contracts related to the fund.

22 Property Manager

a. Name of the property manager and its address

Saudi Bonyan Company
King Fahd Road, P.O. Box 9102, Riyadh 11413, Saudi Arabia
Website: <http://saudibonyan.com.sa>

b. Property Manager tasks, duties and responsibilities

The Fund Manager has signed property management contracts for ten years, renewable for a period of five years, with the Saudi Bonyan company. The property manager will be charging a fee of 5% of the net revenue on all properties except the Marriott Courtyard and the Marriott Residence Apartments (located in Jazan City in Saudi Arabia) where the property management fee will be 1% of the net operating income.

c. The property manager does not intend to invest in the fund's units.

23 Auditor

a. Name and Address of the Auditor

Price Waterhouse Coopers
Kingdome Tower King Fahad Road - Riyadh
P.O Box 8282, Riyadh 11482
Phone number: +966112110400- Fax: +966112110401
Website: www.pwc.com/middle-east

b. Auditor's tasks, duties and responsibilities

Among the auditor's tasks, duties and responsibilities is the preparation and review of financial statements in accordance with the accounting standards issued by the Saudi Organization for Certified Public Accountants, the provisions of the Investment Funds Regulations and the terms and conditions of the fund. Bear in mind that the fund manager has the right, in the interest of the fund and its investors, after obtaining the approval of the fund's board of directors, to change the auditor and terminate the contract with it. This is in the interest of the investors in the fund.

24 Financial Statements

Financial year of the Fund shall start on 1 January and ends on 31 December each year, except for the first year of the establishment of the Fund, from which the financial year shall start on the Date of Closing and ends on 31 December 2018G. Financial statements of the Fund will be prepared by the Fund Manager on both a semiannual basis (unaudited) and an annual basis (audited) in accordance with the applicable standards set by the Saudi Organization of Certified Public Accountants (SOCPA), and any amendments from time to time. The Fund's auditor shall audit the annual financial statements. Financial statements of the Fund will be reviewed by the Fund Board and made available to the CMA as soon as they are approved. They are to be made available to unitholders within a maximum of 25 days from the end of the period covered by unaudited financial statements and 40 days from the end of the period covered by audited financial statements, by publishing them on the Fund Manager's and the Exchange's website.

25 Conflict of Interest

The Legal Counsel of the Fund has reviewed the conflict of Interest section. The fund manager, its affiliates, managers, officials, staff, clients, managers, officials, staff, agents and members of the Fund's board of directors may participate in financial and other professional work that may lead to a conflict of interest with the fund. If the fund manager or any Fund board member has a fundamental conflict of interest with the Fund, the fund manager would disclose it appropriately as soon as possible, and the fund manager and the fund board would seek to resolve any such discrepancies by exercising its good faith and judgment considering the interests of all affected investors and related parties.

The fund manager identified the following conflict of interest points:

- **Similar investments managed by Saudi Fransi Capital Company:** Saudi Fransi Capital manages, and is expected to continue to manage, its own proprietary account and other investments with objectives similar in any way to those of the Fund, including other investment funds which may be managed or sponsored by Saudi Fransi Capital or in which Saudi Fransi Capital or its affiliates may have an interest in their capital. In addition, subject to the limitations set forth herein, Saudi Fransi Capital and its affiliates may in the future sponsor other funds or investments, or serve as fund manager, investment manager or general partner with respect to private investment funds or other collective investments, one or more of which may invest in vehicles similar to those in the Fund's investments, provided that such other activity does not impair the success of the Fund.
- **Transactions with the fund manager and affiliated companies:** The Fund may engage in transactions with the Fund Manager or its affiliates or other entities in which Saudi Fransi Capital has a direct or indirect interest. For example, certain affiliates of Saudi Fransi Capital may provide certain services to the Fund such as administrative services. All transactions between the Fund and the Fund Manager, its affiliates and entities in which Saudi Fransi Capital holds a direct or indirect interest will be disclosed by the Fund Manager to the Fund Board. However, the Fund Manager and Fund Board shall use their reasonable efforts in good faith to cause the terms of the agreements between the Fund Manager and its affiliates, on the one hand, and the Fund, on the other hand, to be prepared on an arm's-length basis and be in line with market standard terms.

- **Fund Board:** The Fund Board shall oversee the resolution of any conflict of interests. As of the date of these Terms and Conditions, the Fund Board shall be composed of members appointed by the Fund Manager. The members of the Fund Board shall have fiduciary duties to the investors under the Real Estate Investment Fund Regulations and shall use their best efforts to resolve all conflicts of interests in good faith as they deem fit. It should be noted that Suleiman al-Rashed is an indirect shareholder in Saudi Bonyan Company which is the Fund's property manager and is also considered a seller of the Fund's assets and a non-independent board member of the Fund. It should be noted that Mr. Mohamed El Sayed is the CFO of Abdul Rahman Saad al-Rashid and Sons Co which is the seller of the fund's assets and will become the largest unitholder of the fund and is a non-independent member of the fund's board.

26 Reporting to Unitholders

- The fund manager will publish a quarterly report of the fiscal year in accordance with the requirements of Annex (6) of the Real Estate Investment Funds Regulations, within a period not exceeding (10) days from the end of the relevant quarter, on the fund manager's website and the market's website (Tadawul).
- The fund manager will make the annual reports available (including the audited annual financial statements free of charge within a period not exceeding (3) months from the end of the reporting period and publish them on his website and the market's website (Tadawul) in accordance with the requirements of Annex (4) of the Real Estate Investment Funds Regulations.
- The fund manager will make the initial financial statements available after examining them free of charge within a period not exceeding (30) days from the end of the initial financial statements period on its website and the market website (Tadawul).

27 Meeting of Unitholders

a. Circumstances in which a meeting of unitholders is called

- The Fund Manager may, at its choice, call for a meeting of Unitholders.
- The Fund Manager must call for a meeting of Unitholders within 10 days from receiving a written request to that effect from the Custodian.
- The Fund Manager shall call for a meeting of Unitholders by announcing the invitation on its website and that of Tadawul, and by sending a notice in writing to all Unitholders 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 time of sending a notice to Unitholders regarding any meeting, provide a copy of any such notice to the CMA.
- The Fund Manager must call for a meeting of Unitholders within 10 days of receiving a written request from a Unitholder or more who individually or collectively hold at least 25% of the Fund Units.
- The quorum required to hold a meeting of the unitholders shall be such number of Unitholders holding collectively at least 25% of the value of the Fund Units.
- If the quorum requirements set out in paragraph (e) above are 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 Unitholders and the Custodian giving not less than 5 days' notice of the second meeting. At the second meeting, any number of Unitholders holding any number of Units present in person or represented by a proxy shall be deemed to satisfy the quorum.
- Every Unitholder shall be entitled to appoint a proxy to represent such Unitholder at a meeting of the Unitholders.
- Each Unit held by a Unitholder shall represent one vote at the meeting of Unitholders.
- The Unitholders meetings and their deliberations and voting on decisions may be conducted through technology means in accordance with the controls set out by the CMA.
- A resolution of the Unitholders shall be enforceable subject to the consent of Unitholders owning 50% of the total Fund Units attending the meeting whether in person, proxy or via technology means.

Decisions requiring approval from unitholders

- The fund manager must obtain the approval of the unit owners for any proposed fundamental change to the Fund.
- The fund manager must take the approval of the unit owners in accordance with above paragraph and take the approval of the CMA on any fundamental change of a fund, including:
 - significant change in the objectives or nature of the fund.

- change that may have a negative and a material effect on the unitholder or their rights with respect to the fund.
- change which impacts the risk profile of the fund.
- increase in fund's capital.

b. Procedures for calling a meeting of unitholders, and the minimum attendance number

- The Fund Manager shall call for a meeting of Unitholders by announcing the invitation on its website and that of Tadawul, and by sending a notice in writing to all Unitholders 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 time of sending a notice to Unitholders regarding any meeting, provide a copy of any such notice to the CMA.
- The quorum required to hold a meeting of the Unitholders shall be such number of Unitholders holding collectively at least 25% of the value of the Fund Units.
- If the quorum requirements set out in the above paragraph are 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 unitholders and the Custodian giving not less than 5 days' notice of the second meeting. At the second meeting, any number of Unitholders holding any number of Units present in person or represented by a proxy shall be deemed to satisfy the quorum.

c. Vote and Their Voting Rights at the Unitholders Meetings

- Every Unitholder shall be entitled to appoint a proxy to represent such Unitholder at a meeting of the Unitholders.
- Each Unit held by a Unitholder shall represent one vote at the meeting of Unitholders.
- The Unitholders meetings and their deliberations and voting on decisions may be conducted through technology means in accordance with the controls set out by the CMA.
- A resolution of the Unitholders shall be enforceable subject to the consent of Unitholders owning 50% of the total Fund Units attending the meeting whether in person, proxy or via technology means.

28 List of Unitholders Rights

Unitholders shall be entitled to exercise all their rights specified herein, including the following:

- Attending Unitholders meetings and voting on decisions taken therein.
- Voting in relation to any fundamental change to the Fund, which shall include the following:
 - an important change in the Fund's objectives or nature;
 - a change which may have an adverse and material effect on the Unitholders or their rights with respect to the Fund;
 - a change that has an impact on the Fund's risk profile; and
 - increase the Fund's capital;
- Subscribing to rights issuances and accepting in-kind contributions related to increasing the Fund's Capital.
- Receiving dividends according to these Terms and Conditions.
- Receiving regular reports and updates according to these Terms and Conditions.

Except, as expressly set forth in this paragraph, unitholders shall not have any rights in relation to the management of the Fund.

29 Other Information

Fund Size: The size of the fund is SAR 1,628,811,000 (one billion, six hundred and twenty eight million eight hundred and eleven thousand Saudi Riyals), divided into 162,881,100 units of a value of 10 riyals (ten riyals) per unit.

Type of Subscription	Numbers of Units	Value of units (SAR)	Percentage of fund value
In-kind participation	97,728,660	977,286,600	60%

Cash Subscription	65,152,440	651,524,400	40%
Total fund Size	162,881,100	1,628,811,000	100%

Disclosure to Unitholders

The fund manager is committed to disclosing the following to the CMA and unitholders:

- Material developments in its sphere of activity which are not public knowledge and which may affect the Fund assets, its counterparties, financial position or general course of business of any other change that would result in the Fund Manager voluntarily resigning from its position as fund manager, and which reasonably may affect the Unit price or have significant effect on the Fund's ability to meet its commitments in respect of debt instruments;
- Transaction to purchase, sell, lease or mortgage a Fund asset at a price equal to or greater than 10% of the Fund's total assets value in accordance with the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;
- Losses equal to or greater than 10% of the Fund's Net Asset Value; according to the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;
- Changes in the composition of the Fund Board or committees (if any);
- Dispute, including any litigation, arbitration or mediation where the value involved is equal to or greater than 5% of the Fund's Net Asset Value according to the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;
- Increase or decrease in the Fund's Net Asset Value that is equal to or greater than 10% according to the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent;
- Increase or decrease in the gross profit of the Fund, that is equal to or greater than 10% according to the latest audited financial statements;
- Transaction between the Fund and a Related Party or any arrangement through which the Fund and a Related Party invest in any project or asset or provide financing thereto in an amount equal to or greater than 1% of the Fund's gross revenue according to the latest audited annual financial statements;
- Interruption in the Fund's core activities equal to or greater than 5% of the gross revenues according to the latest audited annual financial statements;
- Change in the Fund's Auditor;
- Appointment of a replacement custodian for the Fund;
- Passing of any judgment, decision, order or declaration by a court or judicial entity, whether at first instance or at appeal, which may adversely affect the Fund's utilization of any portion of its assets that represents in aggregate a value exceeding 5% of the Net Assets Value according to the latest unaudited semi-annual financial statements or audited annual financial statements, whichever is more recent; and
- Suggested change to the Fund's capital.

Other Fund Contracts

Contract Type	Counter Party	Contract Details
Independent Custodian	Al-Bilad Financial Company	Al-Bilad Investments is custodian of all fund assets, both inside and outside the Kingdom. This entails a fee of 0025% per annum of the value of the Fund's assets. These charges are calculated cumulatively on a daily basis and deducted on a semi-annual basis. A one time fee of SAR 60,000 will also be paid for the establishment of a SPV and a fee of SAR 30,000 per annum for the Zakat certificate and financial statements. Any government fees applicable will be paid by the custodian from the Fund's expenses
Auditor	Al Athem & Al Sudairy Certified Public Accountants - a member of Crowe Global	The financial statements of the Fund will be audited by Al Athem & Al Sudairy Certified Public Accountants - a member of Crowe Global for a fee of SAR 110,000 charged to the fund.
Independent Members of the Fund Board.	Independent Board Members and Mr. Faisal Al-Omran	The fund signed contracts for the members of the fund's board of directors and Mr. Faisal Al-Omran in exchange for an annual amount of one hundred thousand Saudi riyals (SAR 100,000) for each independent member for all annual meetings.

Procedures for handling complaints

When there are any complaints concerning the fund, the owner of the units must send the complainant to the customer service department of the fund manager, as described in these terms and conditions. The fund manager will provide full procedures for handling complaints to unit owners upon request.

If a settlement cannot be reached or a response is not received within (30) working days, the unit owner is entitled to file a complaint with the CMA Investor Protection Department, and the unit owner is entitled to lodge his complaint with the Securities Adjudication Committee after 90 calendar days of filing the complaint with CMA, unless the CMA notifies the complainant that it may be placed with the Committee before the expiry of the period.

Fund Portfolio Summary – Expected Returns

	Property Name	2018	2019	2020	2021
1	AlRafiah Village	14,920,330	14,830,213	14,737,844	15,569,415
2	AlMaather Complex	537,239	550,670	564,437	578,548
3	Al Rashid Strip Mall	1,642,957	1,642,867	1,832,776	1,832,683
4	Al Rashid Mall Jazan	15,646,293	16,385,308	16,643,401	16,907,878
5	Courtyard Marriott	6,309,944	6,558,660	7,340,264	7,617,121
6	Residence Inn by Marriott	3,998,153	4,236,956	4,280,744	4,674,680
7	Al Rashid Mega Mall Madinah	32,824,933	33,367,652	33,923,806	34,493,728
8	Al Rashid Residences	7,078,426	7,441,840	7,825,895	8,209,814
9	City Walk Residential Building 2B (69 units)	10,247,473	10,518,879	11,143,542	11,437,964
10	Al Rashid Mall Abha	34,583,966	39,451,337	40,686,766	41,399,109
Rental Income		127,789,714	134,984,383	138,979,474	142,720,939
Fund Expenses		9,596,141	9,607,001	9,618,578	9,630,552
Fund Expense Ratio (%)		0.59%	0.59%	0.59%	0.59%
Net income after deduction of all fund expenses		118,193,573	125,377,382	129,360,896	133,090,386
Gross return ratio before fund expenses (%)		7.85%	8.29%	8.53%	8.76%
Net return ratio after fund expenses (%)		7.26%	7.70%	7.94%	8.17%
Average net return on the fund for the 4 years		7.77%			

Description	Amount / Value
Total number of properties and usufruct agreement to be acquired	10
Number of properties to be fully owned	9
Number of properties to be under usufruct agreement	1
Number of developed properties	10
Number of properties under development	0
Proportion of income generating real estate assets	100%
Proportion of properties under development	0%
Total cost of real estate acquisitions (SAR)	SAR 1,604,740,000
Total cost of purchase of acquisitions without usufruct (SAR)	SAR 1,381,540,000
Total cost of usufruct agreement (SAR)	SAR 372,000,000 with an option to purchase the property during the first 5 years of signing the contract by paying an additional amount of SAR 110,000,000. The term of usufruct agreement is 20 years.
Amounts to be collected from the public	SAR 651,524,400
Total size of fund (SAR)	SAR 1,628,811,000

Geographical distribution of the assets of the Fund	Saudi Arabia (Riyadh, Madinah, Abha, Jazan) and United Arab Emirates (Dubai)
Rents for the assets of the fund targeted within 12 months of 2018	SAR 127,789,714
Net income after deduction of all expenses for the year 2018	SAR 118,193,573
Net income ratio after deduction of all expenses for 2018	7.26%
Percentage of leased area	82.6%
Usufruct agreement as proportion of total fund size	13.70%
Proportion of real estate outside the Kingdom	16.76%

Making investment decisions for the Fund

All decisions relating to the Fund and any other decisions that are in any way affecting the unit holders and the value of units must be presented to the Fund Board. Such decisions include but are not limited to:

- Approval of the Fund's initial objectives and target investment areas.
- Approval of the appointment of the Fund's core service providers such as Custodian, Real Estate Developer, Property Appraisers and Real Estate Marketers.
- Approval of Sharia Advisors, Property Manager, Auditor
- Approve any new contracts within the normal operations of the Fund.
- Approve the terms and conditions of the Fund.
- Follow-up on work progress, completion rates and approval of financial payments.
- Any process that may affect the performance of the Fund or the value of its units.

Description of the steps to make investment decisions

Real Estate Market Study: Reliance on the fund management department of the Fund Manager and external consultants to conduct a periodic evaluation of the real estate sector. The Fund Manager will continue to follow the trends and patterns in the real estate sector, in addition to market fundamentals and sector characteristics to take advantage of opportunities in the real estate market to meet the fund's long-term goals.

Acquisitions: The decision to invest in real estate assets for the Fund will be made as follows:

- The target property for acquisition is evaluated initially by the fund manager to verify its feasibility, considering the real estate in terms of location, income and quality as well as the quality of the tenants of the asset. The fund manager may use an external consultant, which specializes in analyzing the types of real estate in which the fund will invest.
- The results of the preliminary evaluation shall be submitted to the Fund Board for approval by following up on the acquisition of the property.
- The Fund Manager shall appoint independent appraisers to evaluate the property to arrive at the market value of the property.
- The Fund Manager shall appoint a technical assessor to evaluate the property technically and geographically in order to ascertain the validity of the asset and its being clear of engineering and technical problems, which will enable the Fund to benefit from the asset in an ideal manner for the Fund and its unitholders.
- In the event of ascertaining the feasibility of the property and achieving the objectives of the Fund, a bid shall be made to the seller and then approval sought from the Fund Board and the Capital Market Authority.
- The property shall be owned in favor of the Fund and registered in the name of the SPV established by the Custodian.

30 There are no additional information requirements for other types of Funds.

31 Shariah Board

a. Names and qualifications of the Shariah committee members

- **Dr. Salah bin Fahd Al-Shalhoub (Chairman of the Shariah Committee)**
 - A specialist in Islamic fiqh and an academic with over twenty years of experience in teaching and researching in the fields of Shariah sciences, Islamic finance, and economics.
 - He is a consultant for a group of Islamic financial institutions to review contracts and products in financing, investment, cooperative insurance, Islamic bonds, and their development to enhance their

Shariah and practical efficiency, and serves society through training, authoring, writing, and media participation to raise awareness of Islamic finance and banking.

- **Dr. Salem Ali Al Ali (Member of the Shariah Committee)**
- A specialist in Islamic finance law and the legal and jurisprudential issues related to the development of Islamic capital markets. He is an assistant professor in the Department of Shariah and Islamic Studies at the United Arab Emirates University and a member of the Shariah Committee in many financial institutions. He has many consultative, educational, and research contributions in the Islamic finance sector in several countries, including Saudi Arabia, the United Arab Emirates, Malaysia, and the United Kingdom.
- **Dr. Hisham bin Abdulmalik Al Al-Sheikh (Member of the Shariah Committee)**
- A professor of comparative fiqh and Shariah regulations at the Higher Institute of Judiciary at Imam Muhammad bin Saud Islamic University. He previously held the position of Shariah advisor in many financial institutions and entities. He participated in the preparation and formulation of the Shariah rulings code in the financial transactions section under the chairmanship of one of the subcommittees and then participated in the review committees for the Shariah rulings code. He has many printed publications and research in the judiciary and financial transactions field.

The fees of the Shariah Services will not be charged to the fund.

b. Description of the roles and responsibilities of Shariah Board

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

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

In case of direct investment by the fund in shares of other listed real estate companies or purchase of units in other real estate funds traded on the Saudi Stock Market (Tadawul), the fund may do so if it is compliant with Shariah guidelines and approved by the Shariah Board.

c. There is no remuneration for the Shariah Board members.

32 Unit Characteristics

The fund consists of one share class.

33 Amending the Fund's terms and conditions

The fund manager shall amend these Terms and conditions at its discretion after the approval of Fund Board and CMA provided that consent of the unitholders will be required in the event that the change is considered as fundamental in accordance with the paragraph 6 of the Real Estate Investment Traded Fund Instructions issued by CMA. The fund manager shall announce any details regarding fundamental changes in terms and conditions on its website and on Tadawul at least 20 working days prior to the change coming into effect.

The Fund Manager shall announce on its website and that of Tadawul any details regarding any fundamental changes to the Terms and Conditions of the Fund 10 days before the entry into force of the change. The Fund

Internal Use

Manager shall publish the amended copy of the Terms and Conditions on its website and that of Tadawul, and submit a copy thereof to the CMA and the Custodian within 10 days from any change or update, including the annual updates on the Fund's performance.

34 The Fund Manager's Declarations

1. The Director of the Fund acknowledges that the terms and conditions of the Bonyan REIT Fund have been prepared in accordance with the Real Estate Investment Funds Regulations and the Real Estate Investment Traded Funds Instructions issued by the Saudi Capital Market Authority.
2. The Fund Manager, having conducted all reasonable inquiries, believes that there are no other facts other than those included in this document, which may make any statement contained therein misleading. The Capital Market Authority of Saudi Arabia and the Saudi Stock Exchange are not responsible for the content of these terms and conditions.
3. The Fund Manager acknowledges that the property is free of any irregularities that prevent or may result in the non-use of the property or its operations, as well as the safety of the property technically and free from any major engineering defects or defects that may prevent or may cause the building not to be used or operated or may cause In turn to make major repairs and major changes.
4. The Fund Manager also acknowledges that conflicts of interest have been disclosed in these terms and conditions in the Conflict of Interest Section, as follows:
 - There is no conflict of interest with the fund manager.
 - There is a conflict of interest between the property manager and the fund, as the seller of the initial real estate assets to the fund is the owner of the property management company.
 - There is a conflict of interest between the seller of the initial real estate assets associated with the fund who are also majority unitholders, as they are associated with the property manager, and the Fund Board has one of the shareholders of the selling entity, Mr. Sulaiman al-Rashid, and the Chief Financial Officer of the selling entity, Mr. Mohammed El Sayed, as members.
 - There is no tenant that account for 10% or more of the fund's annual rental income.
5. The Fund Manager acknowledges that all transactions with related parties have been made in a systematic, legal and fair commercial manner and will not adversely affect in any way the performance of the Fund and its unitholders.
6. The Fund Manager acknowledges that all members of the Fund Board are not subject to any bankruptcy, insolvency or liquidation proceedings, nor have they committed any fraudulent, dishonorable or fraudulent acts, nor have they committed any fraud or misconduct related to integrity and honesty, and have the necessary skills and expertise to qualify as board members.
7. The Fund Manager acknowledges that the two independent members are identical to the definition of the independent member included in the list of terms used in CMA regulations and rules, as well as to any independent member appointed by the Fund Manager throughout the lifetime of the Fund.
8. The Fund Manager acknowledges that no other business activities or interest of the Board of Directors of the Fund Manager "Saudi Fransi Capital" are likely to conflict with the interests of the Fund.
9. The Fund Manager acknowledges that no commissions, discounts, brokerage fees or any monetary or non-monetary compensation have been given to any of the parties in or outside the Fund other than as stated in the Terms and Conditions.
10. The Fund Manager acknowledges that there are no conflicts of interest that would affect the Fund Manager in the performance of his or her duties to the Fund.
11. The Fund Manager acknowledges that there are no fees other than those mentioned in the Schedule of Fees and Fees mentioned in Section 10 of these Terms and Conditions.
12. The Fund Manager acknowledges that the Fund will be listed only upon completion of the transfer of ownership of the Property in favor of the Fund. If this is not completed within the period stated in Paragraph 8 of these Terms and Conditions, the full amount of the subscription shall be returned to investors.
13. The Fund Manager acknowledges that no member of the Fund Board will vote where he has a direct or indirect interest in the business and contracts of the Fund.
14. The Fund Manager acknowledges that all contracts and agreements relating to the Fund have been disclosed which may affect the investors' decisions to participate in the Fund and that there are no contracts and agreements other than those mentioned in these Terms and Conditions.
15. The Fund Manager acknowledges that unit holders are entitled to vote on matters raised in the unit holders' meetings. In addition, the approval of a majority of the unit holders who own more than 50% of the value of the units in respect of any fundamental change to the Fund, which includes the following:
 - Significant change in Fund's objectives or nature;
 - the change that may have a negative and material impact on the unit holders or on their rights with respect to the Fund;

- the change that may have an impact on the risk position of the Fund;
 - Any increase in the Fund's capital
16. The Fund Manager acknowledges that he shall take all necessary steps for the benefit of the unit holders in accordance with all his knowledge, due diligence and reasonable consideration. The Fund Manager, Directors, Officers, Agents, Consultants, Affiliates, Custodian, Shariah Counsel and Fund Board Members shall endeavor to exercise reasonable diligence and act in good faith. Despite acting for the best interests of unit holders, the Fund may be at risk of loss in the event of any unintentional action by any of the said parties in connection with the management of the Fund. In such instances, such parties shall not be held liable for such loss provided that they have acted in good faith and prove good faith and the absence of any action, decision or correspondence indicating prior knowledge of the negative consequences of such conduct and in the manner believed to serve the interests of the Fund and that the act does not involve gross negligence, fraud or deliberate misconduct.
 17. The Fund Manager acknowledges that all terms, conditions and information that may affect the decision to participate in the Fund and its investors have been disclosed.
 18. The Fund Manager acknowledges that existing owners and tenants of properties are not subject to restrictions or actions on property or accounts.
 19. The Fund Manager acknowledges that all the observations received in the report of the technical and legal due diligence were disclosed in the terms and conditions.
 20. The Fund Manager acknowledges that there are no disputes over property, judicial proceedings, administrative proceedings, arbitration proceedings or investigations, whether pending, disposed of, or probable and which, combined or individually, would have a negative and substantive impact. The seller of initial real estate assets and the Fund Manager are bound to complete the sale and purchase of initial real estate assets in accordance with the terms of the sale agreements concluded between them and in accordance with the terms and conditions of the Fund and the regulations in force in Saudi Arabia.
 21. The Fund Manager recognizes the soundness and solvency of the activities of the main tenants of the real estate assets.

35 Governing Laws

These Terms and Conditions shall form a legally binding contract between the Fund Manager and each Unitholder. Subscribing for and purchasing Units in the Fund is deemed a consent to these Terms and Conditions. These terms and Conditions shall be governed by the laws and regulations applicable in the Kingdom of Saudi Arabia.

The Fund Manager and each investor will seek to resolve amicably any dispute arising out of or in connection with these Terms and Conditions and the matters contemplated herein. In the event that a dispute cannot be settled amicably, it may be referred by either party to the Committee for the Settlement of Securities Disputes established by the CMA.

36 Acknowledgment from the Unitholder

I/we have read the Terms and Conditions of Bonyan REIT Fund, and understand what was stated in them and agree to them, and acknowledge to review the properties of units that were subscribed to in the Fund, and a copy of this agreement was received and signed.

Subscriber name(s)	
--------------------	--

Investment Account Number	
Date	
Location or Branch	
Signature	

Salam Zaki AlKhunaizi
Chief Executive Officer and Board Member

Haifa F. AlGoufi
Chief Compliance, Governance and Legal