

Terms & Conditions

SAB Invest MSCI Tadawul 30 Saudi ETF **An open-ended Exchange-Traded Investment Public Fund**

Fund Manager: SAB Invest Company

Acknowledgments and Explanatory Statement:

- ◆ The Fund's Terms and Conditions has been reviewed and approved by the Fund's Board of Directors. The Fund Manager and the members of the Fund's Board of Directors collectively and individually bear full responsibility for the accuracy of the information presented herein. Having made all reasonable inquiries, the fund board directors and the fund manager confirm the validity and completeness of the information in the Terms and Conditions, and further confirm that the information and data maintained in the Terms and Conditions are not misleading.
- ◆ The Capital Market Authority has approved the offering of units in the investment fund. The Capital Market Authority does not, however, take any responsibility for the contents of the Fund's Terms and Conditions, nor does it make any representation as to its accuracy or completeness. The Capital Market Authority does not make any recommendation as to the soundness or otherwise of investing in the investment fund, and the approval of offering the fund does not mean that the Authority recommends to invest in the fund, and the Authority emphasizes that the decision to invest in the fund is up to the investor or his representative.
- ◆ The Fund Terms and Conditions and all other related documents are subject to the Investment Funds Regulations. They further contain complete, accurate, non-misleading, modified and up-to-date information about the Fund.
- ◆ Potential investors shall duly and carefully read the Terms and Conditions and other documentation and obtain respective advice concerning the legal issues, Zakat, financial matters and compliance with Islamic Sharia and the like before they take the investment decision.
- ◆ The Unitholders shall be deemed to have accepted and signed the Fund's Terms and Conditions, upon subscribing in any listed unit of the Fund.
- ◆ Investors can have access to the Fund Performance according to the periodical reports issued thereby.
- ◆ Investors are advised to read and understand the Fund's Terms and Conditions. If in doubt, please consult a professional adviser.
- ◆ These Terms and Conditions were issued on 25 September 2011 and updated and reported to the Capital Market Authority on 14/12/2022 A.D.

Fund Summary

S.N		Item
1	Name of the investment fund	SAB Invest MSCI Tadawul 30 Saudi ETF
2	Class/type of the fund	An open-ended Exchange-Traded Investment Public Fund
3	Name of the fund manager	SAB Invest Company
4	Purpose of the fund	The Fund aims to achieve capital growth at the long run through investment in investment portfolios containing the shares of companies listed in the Saudi Stock Exchange (Tadawul).
5	Risks level	The Fund is considered an investment fund with a high risk profile.
6	Minimum amount for subscription and redemption	The Board of Directors may from time to time determine the one-unit package or any other size as it may deem appropriate.
7	Days of Dealing/Valuation	Dealing The day on which Saudi Stock Exchange (Tadawul) is open for business in the Kingdom of Saudi Arabia. Valuation Every dealing day.
8	Days of Announcement	At 1045 A.M of every Dealing Day
9	Date for paying redemption amount	15 minutes before the close of trading business.
10	Unit Price at the Initial Offer (Nominal Value)	SAR20 per share
11	Currency of the fund	SAR
12	Fund Term and Maturity Date	The Fund term is not limited and it is open-ended.
13	Fund Commencement Date	The Fund started to receive subscription applications on 25 September 2011 A.D
14	Date of Issuing the Terms and Conditions and Latest Update thereto	These Terms and Conditions were issued on 25 September 2011 A.D and updated on 14/12/2022 A.D
15	Early Redemption Fees	N/A
16	Benchmark	MSCI Saudi Arabia IMI benchmark was designed to measure the performance of the big, medium and small sectors in Saudi Stock Exchange. The Benchmark contains the holderhip restriction limit for foreigners. The Index is comprised of 70 companies listed in the Saudi Stock Exchange and covers about 99% of the free share value in the market.
17	Name of the fund operator	SAB Invest Company
18	Name of the custodian	Al Bilad Capital
19	Name of the auditor	Ernst & Young (EY)
20	Fund Management Fees	0.75%
21	Subscription & Redemption Fees	No fees are charged for subscription or redemption.
22	Custodian Fees	Will be paid by the fund manager.
23	Dealing expenses	The Fund shall pay the same according to the actual costs and they shall be reflected in the Fund annual report.
24	Other fees and expenses	. Will be paid by the fund manager.
25	Performance Fees	N/A

1. Investment Fund

(a) Investment Fund Name, Class & Type

(SAB Invest MSCI Tadawul 30 Saudi ETF)

An open-ended Exchange-Traded Investment Public Fund

(b) Date of issuance and latest update of the Investment Fund Terms and Conditions

These Terms and Conditions were issued on 25 September 2011 and updated and reported to the Capital Market Authority on 29/08/2022 A.D.

(c) Capital Market Authority approval on the Investment Fund Units Offering

The Capital Market Authority approval was given on 20 November 2011.

(d) Investment Fund Term and Maturity Date

SAB Invest MSCI Tadawul 30 Saudi ETF is a trading index open-ended public fund i.e. the subscriber may subscribe and redeem through the Fund term. The Fund term is unlimited and the Fund Manager may terminate the Fund according to the Terms and Conditions.

2. Governing Law

These Terms and Conditions, the Fund and the Fund Manager shall be subject to the Capital Market Law, the Investment Funds Regulations, and other executive regulations issued by the CMA as well as other relevant laws and regulations in force in the Kingdom of Saudi Arabia.

3. Investment Policies & Practices

(a) Investment Objectives of the Investment Fund

The Fund is An open-ended Exchange-Traded Public Fund Investment Fund aiming to achieve capital growth in the long term, and aims to achieve a level of performance similar to the performance of the MSCI Tadawul 30 index before deduction of fees and expenses with reduction of the deviation ratio between the performance of the Fund and the performance of the index to a maximum of 1.5%. It is also possible to invest in the shares of the Saudi British Bank "SABB" or the SABB Takaful Company or any subsidiary, affiliate or owning companies of the Fund Manager, according to the index components.

In order to achieve the investment objectives, the Fund will invest through inactive management in the securities included in the index with the same proportions included in the index. All securities in which the Fund invests will be listed in Tadawul. The Fund is an income accumulation fund where the income will be reinvested and not distributed to unit holders. The reinvestment of the Fund's income will be reflected in the unit value.

(b) Type(s) of securities in which the Fund shall primarily invest

The Fund shall primarily invest in the components of MSCI Tadawul 30 index

(c) Concentration policy of investments in certain securities, an industry or a group of sectors, country, or a geographic area provided that it covers the minimum and maximum limit of such security

The Fund shall invest in the components of MSCI Tadawul 30 index. The Fund may invest the cash available thereto in the short-term money market instruments such as Murabaha deals, at the discretion of the Fund Manager and within the framework of the Fund's investment objectives.

(d) Table showing the minimum and maximum investment rate in each investment field

Minimum Limit of Subscription & Redemption	The Board of Directors may from time to time determine the one unit package or any other size as it may deem appropriate.
Number of Units per Package	10,000

e) Markets of securities wherein the Investment Fund intends to purchase and sell its investments

The investment will be in the Saudi Stock Market and money markets.

(f) Disclosing whether or not the Fund Manger intends to invest in the Investment Fund units

The Fund Manager may at its absolute discretion invest in the Fund Units where it so wishes.

(g) Types of transactions, techniques and instruments that the Fund Manager may use to make investment decisions for the Investment Fund

- The Fund will follow an inactive investment strategy by investing in a share basket which equity ratios match those in the index, while maintaining an adequate amount of liquidity to account for the Fund's expenditures and liabilities. The Fund aims at achieving a low deviation ratio compared to the benchmark.
- The Fund's asset weights will be reviewed on a quarterly basis, at the same time to follow any changes to the index, in addition to any rebalancing that is required during the interval due to corporate actions in any securities included in the investment portfolio. If any change is made to the index (deletion / addition of shares), the Fund Manager will seek to align the Fund's investments with that change. Or, the Fund may temporarily suspend the process of issuing and redeeming units during the rebalancing stage.
- The Capital Market Authority may suspend the listing of the stock (s) in which the fund invests. In such case, the Fund will stop to issue or redeem the fund units until the issue of listing a stock(s) is resolved.
- The Fund will not face the risk of deviation in performance, as the stock(s) that have been discontinued from listing will continue to form part of the index portfolio components until the issue of suspension is resolved.
- The units of the Fund are listed on Tadawul to be available to investors for trading during the daily trading hours. The Fund Manager signed an agreement with the market makers to provide liquidity in the market to reduce the liquidity risks to purchase the individual units through Tadawul.
- Market makers price the units in Tadawul so that the margin between the buy and sell price does not exceed 2%.
- The market maker faces pricing risks on issuing and redeeming the Fund's units traded in the market. To mitigate the impact of these risks, the Fund Manager provides the market maker with the ability to issue and redeem the Fund units immediately.
- The Fund Manager will identify the securities and other assets of the Fund and separate them from the securities and assets of the Fund Manager, and they will be kept with the Custodian which is a well-known and reputable institution as may be decided by the Fund Manager.

(h) Types of securities which cannot be included in the Fund's investment

The Fund Manager shall not invest the Fund's assets in financial derivatives or securities.

(i) Any other restriction on the type(s) of securities or other assets in which the Fund may invest

The Fund shall comply with the investment restrictions set forth in the IFR issued by CMA.

(j) Maximum limit of investments of the Fund's assets in the Units of investment fund(s) managed by the Fund Manager or by other fund managers

N/A

(k) Powers of the Investment Fund to give or take loans, Fund Manager policy regarding the practice of its borrowing powers and statement of policy as to pledge of the Fund's assets

The Fund is not authorized to give loans and is not authorized to borrow or carry out operations that can be interpreted as borrowing.

(l) Disclosure of the maximum limit for dealing with a Counterparty

The Fund shall comply with the restrictions on dealing with counterparties in accordance with the restrictions on dealing in the IFR issued by CMA.

(m) Fund Manager's policy to manage the Fund's risks

Follow-up procedures shall be implemented in order to ensure compliance by the Fund with the investment policies and statutory requirements. The Fund Manager shall carry out periodic reviews in order to ensure continuous application of such policies and requirements.

(n) Benchmark, information about the body providing the benchmark, and the principles and methodology for calculating the index

The index is the shares of the MSCI Tadawul 30 Index, which represents the performance of about 30 listed companies that are the largest and most traded companies in the Saudi Stock Exchange. The weights of all this index's components will remain under a predetermined ceiling at a rate of 15% of the index's value to limit the dominance of major shares on the index.

Index Structure

The MSCI Tadawul 30 Index targets the 30 largest companies in the MSCI Saudi Arabia IMI Index in terms of market value of free float shares, and applies a maximum of 15% to the weights of these companies. It is also possible that the number of companies in the index ranges between 25 to 35 companies.

Index Review

MSCI Tadawul 30 Index is rebalanced on an annual basis. This is usually realized at the end of the last business day in November, coinciding with the revision of the November MSCI Global Market Indexes.

In addition to the annual index review, the periodic review of the MSCI Tadawul 30 index shares will be done quarterly at the end of the last business day of February, May and August, coinciding with the MSCI global financial market indexes review.

Index Publication

The index is calculated on a daily basis based on the official closing prices of the stocks that make up the index. The updated information and index value will be available during trading hours on the website of the Saudi Stock Exchange (Tadawul).

Please refer to the company's website www.sabinvest.com and the Tadawul website for additional information on the index components.

(o) In the event of using derivatives contracts, the purpose of using such instruments (such as effective management of the portfolio, achievement of investment objectives, or hedge against price fluctuation risks) shall be clearly stated

The Fund does not invest in derivatives contracts.

(p) Any exemptions approved by CMA with regard to any restrictions or limits on the investment

There are no exemptions with relation to the Fund.

4. The Main Risks of Investing in the Fund

- (a) The Fund is deemed to involve a high risk profile due to the nature of the assets being invested in. Accordingly, the Unit price may, upon redemption, be lower than the price paid for subscription in the Fund. There are no guarantees that the Fund will achieve investment growth. Furthermore, the Fund investment

value is subject to devaluation. The Unitholders shall be aware that it is not guaranteed to obtain the original sum invested in the Fund. Furthermore, there are no guarantees that the Fund investment objectives will be attained.

- (b) The previous performance of the Investment Fund, or the previous performance of the index, cannot be deemed an indicator of the performance of the Investment Fund in the future.
 - (c) The Fund does not guarantee, to the Unitholders, that the Fund's performance, or such performance compared with the index, shall be repeated or similar to the previous performance.
 - (d) Investment in the Fund shall not be deemed a deposit with any bank and the potential Unitholders shall take into account the following risks when investing in the Fund.
 - (e) Unitholders shall be aware that they may lose part or all capital invested in the Fund due to the nature of the Fund activities and the risks involved in such investment. They shall also acknowledge and bear full responsibility for any financial loss that may result from investing in the Fund, unless such loss is caused by willful negligence or default on the part of the Fund Manager.
- ◆ In order to clarify such risks, below is a statement of some risks which may impact the Unit value and some potential key risks relating to investments in the Fund, in addition to risks to which the Fund is exposed and the circumstances that may affect the Fund NAV and returns, including the following: Economic Risks: The performance of any investment may be affected by the general circumstances of the economy and other influencers such as levels of fluctuation in interest rates, inflation, capital flow or other factors that may have a significant positive or negative impact on the fund's investment value.
 - ◆ Securities issuer risks: All shares in which the Fund invests are listed in Tadawul. Accordingly, such risks will be those related to issuers of securities included in the index.
 - ◆ Deviation Ration Risks: There are no guarantees that the investment objectives of the Fund will be achieved. Changes in the Fund's investments and the re-weighting of the index followed by the Fund may cause differences in transactions. The total return on investment in Fund units will decrease as a result of some expenses and costs that were not taken into account on calculating the index. In the event of any temporary suspension or interruption of trading in the securities that make up the index or in the event of a market disruption, it may not be possible to rebalance the Fund's investment portfolio to match the weights of the index components.
 - ◆ Risks of change in index components: The Fund Index was established by the index service provider according to its own criteria. Since the index service provider usually retains the right to estimate with regard to the method that involves designing the index, then it is not possible to provide any guarantees that the index's calculation and publication will continue on the basis indicated in the rules or the method published by the index service provider, or that the index will not be significantly modified. Furthermore, the index components may change based on the index's service provider's criteria. Some stocks may be removed from the index's components in the event of de-listing them in the market, leading to a change in the index.
 - ◆ **Concentration risks:** The Fund's investments may be concentrated in a limited number of sources due to the nature of the index design that the Fund aims to follow.
 - ◆ **Political and/or legal risks:** The Fund is affected by the international political developments, changes in governmental policies, taxes policies, restrictions on the foreign investment, restrictions on the currency transfers and other developments in regulations and laws of KSA.
 - ◆ **Risks of suspension and cancellation:** The Capital Market Authority (CMA) may suspend or cancel the listing of one or more securities invested in by the Fund. This would lead to stopping the creation and redemption of units in the Fund, which could last until the decision to re-list the main securities.
 - ◆ Capital market risks: An investment in the Fund may be exposed to risks associated with investing in ordinary equity funds, which may include risks of market fluctuations, potential fluctuations in stock prices due to supply and demand factors, inflation risks, liquidity risks, and other regular and irregular risks. Stock prices may decrease as a result of the economic factors, expectations, or factors related to the companies in which the Fund invests. For example, the non-positive reports on returns may lead to a decline in the market, and the general stock prices of some exporters may have a faster response to the movements that occur in the market. The decline that occurs in the market affects the value of the stocks in which the Fund invests. The value of the Fund's portfolio may decrease as a result of the issuer's inability to meet the expected distributions as a result of the company's financial conditions.

Investors shall be fully responsible for any financial loss that may result from investing in the Fund, which may be caused by any of the risks stated above without any guarantee on the part of the Fund Manager, except for willful negligence thereby.

5. Mechanism of Assessing Risks

The Fund Manager declares that there is an internal mechanism for evaluating the risks associated with Fund assets.

6. Targeted Class for Investing in the Fund

The Fund is targeting retail and corporate investors and governmental bodies that desire to invest in the Saudi Market provided that they meet the conditions of investing in this Fund.

7. Investment Restrictions/Limitations

The Fund Manager shall be subject to the restrictions and limitations imposed by the CMA's Investment Funds Regulations (IFRs), in addition to the restrictions set forth in these Terms and Conditions, and the Information Memorandum of the Fund.

8. Currency

The currency of the Fund is Saudi Riyal.

9. Fees, Charges and Expenses

A. Details of all Types of Payments from Fund Assets and Fund Manager

Fees and charges	Fees and Expenses as a Percentage of the Fund's Average Asset Volume over the Financial Year
Fund Management Fees	0.75%
Dealing Charges	To be paid by the Fund based on the actual costs, and this shall be disclosed in the Fund's Quarterly Report
Costs of Unit Holders Meeting	To be paid by the Fund based on the actual costs, and this shall be disclosed in the Fund's Annual Report
Charges of investments in other funds	To be paid by the Fund based on the actual costs, and this shall be disclosed in the Fund's Annual Report
Other fees and charges <ul style="list-style-type: none"> • Custody charges • Auditor's fees • Supervisory fees • Announcement fees paid to "Tadawul" • Benchmark measuring fees 	To be paid by the Fund Manager

• Compensation of the Fund Board Members	
Financing and borrowing charges	To be paid by the Fund based on the actual costs, and this shall be disclosed in the Fund's Annual Report
Taxes and value added tax (VAT)	To be paid by the Fund based on the actual costs, and this shall be disclosed in the Fund's Annual Report

◆ Fund Management Fees

The fund will pay all fees and expenses related to the Fund management and operating expenses as a percentage of 0.75% per year shall be deducted from the Fund's net asset value to cover these expenses and fees ("the total expense ratio"). The annual fees and operating expenses include, without limitation, Fund management fees. Such fees shall be due and payable at the end of each day. The Fund Manager will be responsible for any fees, expenses or costs in excess of the total expense ratio. The Fund issues and redeems its units only for in-kind exchange. However, for the purposes of the portfolio rebalancing, the Fund may buy and sell the shares that make up the index. Such operations may give rise to dealing cost to be charged at the cost rate by the Fund as a deduction from its assets and not included in the above stated fees.

◆ Taxes and Value Added Tax

Unit Holders hereby agree and declare that the Fund shall be responsible for collecting value added tax and any other taxes and charges (as may be applicable) in connection with any of the services provided to the Fund. This shall include, without limitation, all amounts due and payable to the Fund Manager under these Terms and Conditions including subscription charges, management fees and any other fees.

(b) Table for all fees and expenses and the manner by which the services consideration, commissions and fees are calculated and time of payment thereof by the Investment Fund

B. A table of all fees and expenses, with how to calculate services, commissions and fees and when they are paid by the fund

Subscription fees	There are no fees imposed on subscription
Redemption fees	There are no fees imposed on early redemption
Transfer fees	Not applicable - The Fund Manager does not provide the service of Unit transfer

C. Illustrative Table showing the ratio of the Fund costs to the total value of the Fund assets at the level of the Fund and the Unit Holder during the Fund Term provided that it includes the percentage of recurring and non-recurring costs

Currency	Value	Frequency
Fund Management Fees	0.75%	Monthly
Dealing Expenses	Based on the actual cost	Upon executing the trades
Unitlodetrs Meeting Expenses	Based on the actual cost	Upon having unitholders meeting
Expenses of investing in other funds	Based on the actual cost	Upon investing in other funds
Browing and Financing Expenses	Based on the actual cost	Upon obtaining financing or borrowing

D. Details on charges imposed for subscription, redemption and ownership transfer, paid by unit holders, and the method for calculating it

Subscription fees	There are no fees imposed on subscription
Redemption fees	There are no fees imposed on early redemption
Transfer fees	Not applicable - The Fund Manager does not provide the service of Unit transfer

E. Special discounts and commissions, and the Fund Manager's policy as to such special discounts and commissions

The special commissions received by the Fund Manager throughout the year will be stated and determined in the Fund annual reports, if any.

F. Information relating to Zakat and/or tax, if any

The Fund will be responsible for collecting the value added tax and any other taxes and fees (as applicable) in terms of the services to be provided to the Fund.

Such taxes, incurred by the Fund and which may be deducted therefrom, shall result in a reduction in asset value, and consequently a fall in the anticipated returns on the investment. Investors shall consult with their tax advisors with regard to the taxes arising from the investment, prior to investing in the Fund.

G. Statement of any special commission concluded by the Fund Manager, if any

The special commissions to be received by the Fund Manager in the course of the year shall be detailed in Fund Annual Reports, if any.

H. Illustrative example detailing all fees, charges and consideration for transactions, paid out in the Fund currency out of the Fund's assets or by the Unit Holders, in the course of a given investment year, in connection with a subscription amount of SAR 100,000

Fees and charges	Percentage	Fees amount	Fund's net assets	Frequency of deduction
Subscription amount			100,000	
Net subscription value			100,000	
Fund management fees	0.75%	750		One time annually, and shall be deducted from the Fund assets
Dealing charges (hypothetical percentage)	0.1%	100		
Fund total charges	0.76%	850		
VAT (out of the total value of services provided to the Fund)	15%	127.50		
Investment net value after deduction of total fees at the end of the year*			99,022.50	

* Assuming there is no profit or loss of the Fund

10. Valuation and Pricing

(a) Details of the valuation of each asset owned by the Fund

The Net Asset Value (NAV) of the Fund's units is calculated by deducting the fund's liabilities from the total assets of the Fund, including, but not limited to, the fees specified in these Terms and Conditions. The unit price

is determined by dividing the number resulting from this process by the total number of Fund units outstanding on that day. The Fund is evaluated on every Valuation Day as shown in the Fund summary provided that the Valuation Day is a working day for the stock market in the Kingdom of Saudi Arabia.

(b) Statement of Valuation Points & Frequency

- ◆ The Fund shall two valuation points:
 - ◆ NAV of the unit - the net asset value of the unit is calculated at the end of every day by calculating the total value of the Fund's assets on the basis of the closing prices of the shares and adding to it the available cash and the distributions due and then deducting any due fees and dividing the result on the number of the existing traded units.
 - ◆ The Indicative Net Asset Value of the unit (INAV): INAV of the unit will be calculated during the trading hours.

INAV and NAV of the unit will be posted on the Fund Manager website. The accurate and updated information of the registered Unit Holders will be maintained at Tadawul according to their validity.

(c) Measures to be taken in the event of a valuation or pricing errors

For the valuation of Fund assets, the Fund Manager shall rely on a professional team and advanced systems to ensure that the valuation and pricing of Fund assets are correct and accurate. When an unintentional error occurs in the valuation or pricing of Units, the Fund Manager shall correct said Unit pricing error on its website and other sites. The Fund Manager shall document these instances.

The Fund Manager shall contact any subscriber in the Fund based on the Unit erroneous pricing and it shall be compensated or given a deduction equal to the difference between the correct and erroneous Unit price.

The Fund Manager shall immediately report to the CMA any valuation or pricing error of 0.5% or more of the price of a Unit and disclose it immediately on its website, on the "Tadawul" website, and in the Fund's public reports in accordance with IFR.

In its reports to the CMA pursuant to IFR, the Fund Manager shall provide a summary of all valuation and pricing errors.

(d) Method of calculation of the Unit price to execute subscription and redemption applications

- ◆ NAV of the unit: The net asset value of the unit is calculated by calculating the total value of the Fund's assets on the basis of the closing prices of the shares and adding to it the available cash and the distributions due and then deducting any due fees and dividing the result on the number of the existing traded units.
- ◆ The indicative net asset value of the unit (INAV) - where the indicative net asset value of the unit "INAV" is calculated by calculating the total value of the Fund's assets according to the market prices of the shares and available cash, then the accumulated expenses (income) are deducted (added) as at the at the end of the last business day and the result is divided by the number of existing traded units.

(e) Publication time and place of the Unit price

- ◆ The unit's indicative net asset value (INAV) is announced during the session and shall be updated every 15 seconds.
- ◆ The net asset value of the unit is announced within two hours of the market closing time.

The unit prices will be available for investors free of charge on the website of "Tadawul" (www.saudiexchange.sa) and the website of SAB Invest www.sabinvest.com).

11. Dealings

(a) A statement showing the Initial offering such as the commencement date and initial price:

Acceptance of subscriptions in the Fund started on 20 November 2011, at an initial price of SAR 20 per Unit at that time.

(b) Cut Off Time for the submission of Subscription and Redemption Applications at any dealing day and the obligations of the Fund Manager concerning Subscription and Redemption Applications

15 minutes before the trading hours

(c) A stating of subscription and redemption procedures including the application submission place and the period between the redemption application and payment of redemption proceeds or transfer (where applicable)

The Fund is traded through primary market operations, on the basis of a package of units, on every dealing day (except for the period when the NAV per share account is suspended) "in kind", which means that, instead of receiving cash, the Fund Manager will receive Shares Basket components and cash components from the market maker. As for the securities related to requests for in-kind subscription, the securities must be of a type that the Fund can own according to the portfolio components file.

The following is a review of the in-kind exchange mechanism for the purposes of the Fund's unit package:

- The Fund Manager presents the details of the unit package components (related stocks and cash items on a daily basis before the start of trading operations). Each unit package equals 10,000 ETF units.
- The market maker submits a request to the Fund Manager to issue units.
- At the same time, the market maker deposits a basket of shares with cash amounts in its account with the Custodian in proportion to the number of unit packages to be issued.
- After the initial review, the Fund Manager approves the unit package issuance request.
- The Custodian verifies that the shares basket and cash items are in proportion to the required number of unit packages.
- The Custodian transfers the shares basket from the market maker's account to the Fund's account.
- The Custodian coordinates with Tadawul to issue and list units' packages (Tadawul issues and lists unit packages).
- The unit packages are deposited into the market maker account.
- The market maker records the sale orders in the market or keeps packages of new units in its inventory.
- At the end of the day, Tadawul verifies that the number of issued units matches the number of received shares.
- If there are any differences between the number of issued units and the number of shares, the Custodian will treat them as necessary.
- The Fund Manager calculates the cash component at the end of the dealing day for the unit package. Any cash deficiencies or increases in the packages of units created or canceled during the day will be settled through the Custodian with the market maker at the end of the day.

With the exception of the time when the calculation of the net asset value of the share is suspended, or if it is determined otherwise by the Fund Manager, all requests for in-kind subscriptions will be binding and irrevocable.

◆ Subscription Price:

The initial offering price of the Fund units during the initial offering period is shown in the Fund Summary. The Net Asset Value is calculated by calculating the value of all the Fund assets at the closing price in addition to any existing cash elements minus any accrued expenses calculated at the end of the business day. The Net Asset Value of the unit is calculated by dividing the result by the number of existing units at the time of the valuation.

The minimum primary market dealings, in-kind dealing with the market maker, is one-unit package (the number of units in each unit package is as indicated in the attached appendix). Requests for in-kind subscription (of the market maker) in units must be in integer numbers equal to one package of units or their multiples.

◆ Publishing the portfolio component file:

The portfolio components file will be available on the website: www.sabinvest.com.

◆ Publishing Cash Elements:

At the end of each dealing day, the Fund Manager will determine (and publish) the size of the cash portion of a single package. Cash elements of the single package will be calculated at the end of the day on the assumption that no units are created or amortized during the day. Cash items can be exchanged during the day based on the cash value of the previous business day, and settlement is made at the end of the day.

◆ **Redemption Procedures for In-Kind Refund Transactions by a Market Maker:**

Requests for in-kind redemption of the issuance units may be submitted by the market maker to the Fund Manager at any time during the trading hours on each dealing day.

◆ **Redemption Procedures for the Fund Traded Units**

- The market maker submits a request to the Fund Manager in order to redeem the unit packages.
- The market maker at the same time deposits the packages of the recovered units into the market maker's account with the Custodian.
- After the initial review, the Fund Manager, approves the unit packages redemption request.
- The Custodian ensures that the number of packages of deposited units matches the redemption request.
- The Custodian coordinates with Tadawul to implement the redemption of the traded units. (Tadawul redeems the units and drops them from the trading record.)
- The Custodian deposits the shares basket from the Fund account to the market maker's account.
- At the end of the day, Tadawul verifies that the number of redeemed units matches the number of shares received.
- If there are any discrepancies, the Custodian shall settle them as required.
- The Fund Manager calculates the required cash at the end of day in accordance with the Fund's policies. Any deficiency or excess in the redemption of the Fund units shall be settled by the Custodian with the market maker at the end of day. With the exception of the time when the Fund's net asset value calculation is suspended, all requests for in-kind redemption will be binding and irrevocable.

◆ **Buying and selling in the secondary market:**

The Fund Manager intends for the Fund, by listing its units in Tadawul system, to be a traded fund in the market. After the listing completion, one or more of the participants authorized by the Capital Market Authority (the market maker) will work to provide the supply and demand prices in which the units in the Fund can be bought or sold in succession by the investors. Accordingly, the investors are able to sell and buy units in the secondary market (Tadawul) through a broker in small quantities.

The unit price in the market does not necessarily reflect the net asset value of the unit in the Fund, and it may be subject to brokerage commissions related to trading and settlement through the capital market. In the cases in which the investor accepts / completes the process of purchasing the Fund units in the market, this procedure will be considered as acceptance by the investor of the terms and conditions of the Fund.

(d) Statement showing Restrictions on dealing in Fund Units

The minimum primary market dealings are, in-kind dealing with the market maker, one unit package (the number of units in each unit package is as indicated in the attached appendix). Requests for in-kind subscription (of the market maker) in units must be in integer numbers equal to one package of units or their multiples.

(d) Statement of the circumstances in which dealing in Units may be deferred or suspended

◆ **The Fund Manager may defer executing any applications for redemption until the next Dealing Day in any of the following circumstances:**

- Trading may be suspended in case of the CMA suspending the listing of one of the stocks that make up the index, or rebalancing the index and the basket.
- In order to suspend trading for other cases, a prior approval shall be obtained from CMA.

◆ **The Fund Manager shall also suspend subscription or redemption of Units:**

- If CMA so requests.
- If the Fund Manager reasonably believes that suspension is beneficial to Unitholders.
- If dealing is suspended in one of the major markets, in which Fund securities or other assets are traded, either in general or in respect of specific Fund assets that the Fund Manager reasonably considers to be material to the Fund NAV.
- In the event of any political, economic, or financial event, failure of communication means, failure of global money transfer system, market closure, force majeure, or any circumstances beyond its control and responsibility, the Manager may suspend Fund dealings for a period not exceeding two business days from the deadline set for receiving subscription and redemption applications.
- If Fund dealings are suspended, the Fund NAV and all subscriptions/redemptions shall be calculated following the approval of the Fund Board of Directors if the abovementioned circumstances make it impractical or impossible to acquire, sell, or value assets of the Fund.

(f) Statement of Procedures by virtue of which redemption applications to be deferred will be selected.

Not Applicable

(g) Description of the Provisions Governing Transfer of Units to other Investors

Not Applicable

(h) Minimum number or amount of Units that a Unitholder shall subscribe to or redeem

Not Applicable

(i) Detailed Statement of any minimum amount to be collected by the Fund Manager and actions to be taken if such minimum limit is not achieved in the Fund

Not Applicable

12. Distribution Policy

(a) Statement of the distribution of income and dividends policy including the details of uncalled dividends:

No dividends shall be distributed, but rather the investment income and dividends shall be added to the Fund's assets so that the income and investment profits shall be reinvested and reflected on the Unit value and price.

(b) Approximate Date of Maturity and Distribution (where applicable)

Not applicable as the Fund shall reinvest income and dividends generated from investment in the Fund.

(c) Statement on the manner by which dividends are paid:

Not applicable as the Fund shall reinvest income and dividends generated from investment in the Fund.

13. Reporting to Unitholders

(a) Information on Annual Reports including the quarterly statement and the initial and annual financial statements

- ◆ The Fund Manager undertakes to prepare annual reports (including audited annual financial statements) in accordance with the requirements of Annex (3) of the IFR. These reports shall be provided by the Fund Manager to Unitholders at request and free of charge.
- ◆ Annual reports shall be made available to the public no later than three (3) months from the end of the report period as set forth herein.
- ◆ Interim financial statements shall be prepared and made available to the public within thirty (30) days from the end of the period in such locations and by such means as specified herein.

- ◆ The Fund Manager shall publish the quarterly statement, as required by the Addendum No. (4), within no more than (10) days from the end of the relevant quarter.

B) Information on places and methods of providing the Fund reports prepared by the Fund Manager.

The reports shall be made available on the websites of the Fund Manager and the Saudi Stock Exchange "Tadawul". The Fund Manager must be notified of any errors within (60) calendar days from the issuance of those reports. After that, the reports issued by the Fund Manager shall become final and conclusive. In addition, the reports shall be made available on the websites of the Fund Manager (www.sabinvest.com) and the Saudi Stock Exchange "Tadawul" (www.saudiexchange.sa). A unit owner may obtain a copy of the Fund's audited annual financial statements free-of-charge when requested from the Fund Manager by visiting one of SAB Invest Company investment centers and requesting the statements directly, or through the website of the Fund Manager or the Saudi Stock Exchange "Tadawul".

C) Information on the methods to provide unit holder with annual financial statements.

A unit owner may obtain a copy of the Fund's audited annual financial statements free-of-charge when requested from the Fund Manager by visiting one of SAB Invest Company investment centers and requesting the statements directly, or through the website of the Fund Manager or the Saudi Stock Exchange "Tadawul".

D) An acknowledgment of the availability of the first audited financial statement at the end of the Fund's fiscal year, stating the date of the end of that year.

The Fund Manager shall acknowledge the availability of the Fund's audited financial statements for the fiscal year ending on 31 December for each fiscal year.

E) An acknowledgment of the compliance with providing the Fund's audited annual financial statements free-of-charge upon request.

The Fund Operator shall provide the Fund's audited annual financial statements free-of-charge upon request, including all movements done on the units.

14. UnitHolders Register

A) Description of preparing an updated Unit Holder Register and maintaining it in KSA.

A unit owner in the Fund may obtain the register information on their own investment in the Fund through one of the Company's investment centers, or through the Company's website by signing in the customer's own account, which requires registration for this service. The Fund Manager also shall maintain the information of the Unit Holder Register in KSA.

B) Information on the Unit Holder Register (e.g. where unit holder can get the register).

The Fund Operator shall prepare an updated Unit Holder Register and maintain it in KSA. This register shall be made available for the Authority's perusal upon request. In addition, the register of any unit owner shall be provided free-of-charge upon request.

15. Meeting of UnitHolders

A) Description of the circumstances under which a meeting of unit holder is called for.

The Fund Manager may invite the holder of the Fund's units to a meeting of unit holder when needed.

- ◆ The Fund Manager shall call for the meeting of unit holder within ten (10) days from receiving a written request from the custodian.
- ◆ The Fund Manager shall call for the meeting of unit holder within ten (10) days from receiving a written request from one or more unit holder who own, jointly or severally, no less than 25% of the total value of the Fund's units.

B) Description of the procedures to call for a meeting of unit holder.

- ◆ If the meeting request fulfils one of the requirements under these Terms & Conditions, the Fund Manager shall invite the holder of the Fund's units through an announcement on the websites of the Fund Manager

(www.sabinvest.com) and the Saudi Stock Exchange "Tadawul" (www.saudiexchange.sa), in addition to sending a written notice, SMS or email to the custodian at least ten (10) days, and no more than twenty-one (21) days, before the meeting. Both the announcement and the notice shall specify the meeting place, date, time and proposed decisions; and a copy of the notice shall be sent to the Authority.

- ◆ A meeting shall be valid with a quorum if it is attended by those who jointly own no less than 25% of the value of the Fund's units.
- ◆ If the quorum specified in this clause is not met, the Fund Manager may call for another meeting 5 days before the meeting date through an announcement on the websites of the Fund Manager (www.sabinvest.com) and the Saudi Stock Exchange "Tadawul" (www.saudiexchange.sa).

C) Description of the unit holder' voting process and rights at meetings of unit holder.

If the requirements under these Terms & Conditions are met, the unit holder, who attend personally or by official authorization, shall have the right to vote and make decisions on behalf of the other Fund's holder. They shall have the right to vote as follows:

- ◆ Each unit owner may have one vote for each unit they own in the Fund.
- ◆ Voting may be done personally or through a proxy representing the unit owner at the meeting.
- ◆ The Fund Manager may, as it deems legally appropriate, accept a unit owner's authorization to a proxy to attend and vote at meetings on their behalf. Such authorization must be in writing and endorsed by a competent official entity or by the Fund Manager.
- ◆ Meetings of unit holder may be held with participation in their deliberations and voting on their decisions through modern technologies in accordance with the Authority's controls.

16. UnitHolders' Rights

A) The list of the rights of unit holder.

Unit holder shall have the right to:

- ◆ Obtain the form for confirming subscription to the Fund.
- ◆ Obtain an up-to-date Arabic copy of the Fund's Terms & Conditions free-of-charge.
- ◆ The units subscribed to shall be the property of the unit owner who subscribed to the Fund.
- ◆ A unit owner may exercise their rights associated with the units including, but not limited to, the rights of voting at meetings of unit holder.
- ◆ Look at the net value of the Fund's units, regularly and after each evaluation of the Fund, at the branches of the Fund Manager or on the website (Note: It shall be available on the websites of the Fund Manager and the Saudi Stock Exchange "Tadawul").
- ◆ Obtain the annual reports and preliminary financial statements prepared by the Fund Manager upon request (Note: They shall be available on the websites of the Fund Manager and the Saudi Stock Exchange "Tadawul").
- ◆ Call for a meeting of unit holder.
- ◆ The Fund's Terms & Conditions shall be annually updated by the Fund Manager to reflect the actual charges and amended information on the Fund's performance, and shall be made available to unit holder on the websites of the Fund Manager and the Saudi Stock Exchange "Tadawul".
- ◆ Obtain the reports as stipulated in the requirements of the Investment Funds Regulation.
- ◆ Recovery proceeds shall be paid by the Fund Manager to unit holder at the specified times.
- ◆ Holder of a certain unit category may not have rights that would violate the rights of the holder of another unit category.
- ◆ Obtain the procedures of complaint management upon request from the Fund Manager.

B) The Fund Manager's policy regarding the voting rights associated with any assets of the General Fund it manages.

The Fund Manager's policy for voting is available on the websites of the Fund Manager and the Saudi Stock Exchange "Tadawul". A unit owner shall authorize the Fund Manager to exercise all rights of investors including the rights of voting and attending the general assemblies of the companies invested in.

17. Unit Holders' Liability

- ◆ Except for the investment's loss, a unit owner shall not be responsible for any debts or liabilities to the Fund.
- ◆ However, the subscribers shall be responsible for providing the Fund Manager with their correct mail addresses at all times, in addition to contact details such as the mobile phone number and email address; and for immediately notifying the Fund Manager of any address change. If the subscribers do not provide the Fund Manager with the correct address, or they ask the Manager not to send mail, including details and notices relating to their investments in the Fund, the subscribers hereby agree to defend and hold harmless the Fund Manager against any responsibility, waive their rights or claims against the Fund Manager, whether they are arising directly or indirectly out of not being provided with details, notices or any other information relating to the investment, or arising out of inability to reply, verify information accuracy, or correct any errors or alleged errors in any statement, description or any other information.

18. Units Characteristics

- ◆ The Fund Manager shall issue one type of units, and each unit shall represent a common equal share in the Fund.
- ◆ The total value of the issued units shall represent the total net value of the Fund.

19. Changes to the Fund's Terms & Conditions

A) Description of the provisions regulating the changes in the Fund's Terms & Conditions, the approvals, and the notices specified by the Investment Funds Regulation.

The Manager may, at its own discretion, amend these Terms & Conditions at any time provided that it obtains the approvals of the Fund's Board of Directors and the Sharia Regulatory Authority (when needed). The types of the approvals required for such changes shall vary based on the type of amendment on Terms & Conditions as follows:

- ◆ If the amendment provided by the Fund Manager is a major amendment on the Fund's Terms & Conditions according to the Investment Funds Regulation's definition of major amendments issued by the Capital Market Authority in Article No. 62 of the Regulation, the Fund Manager shall apply the Regulation's requirements for such a change.
- ◆ If the amendment provided by the Fund Manager is a minor amendment on the Fund's Terms & Conditions according to the Investment Funds Regulation's definition of minor amendments issued by the Capital Market Authority in Article No. 63 of the Regulation, the Fund Manager shall apply the Regulation's requirements for such a change.

B) Description of the procedures to notify of any change in the Fund's Terms & Conditions.

Changes shall be announced as per the classification of each change mentioned in these Terms & Conditions. Changes shall be announced on the websites of Tadawul and the Fund Manager prior to the effective date of the change as per the classification of each change.

20. Termination and Liquidation of the Investment Fund

A) The situations that require the Investment Fund to be terminated, and the relevant procedures pursuant to the provisions of the Investment Funds Regulation.

Provisions of the Investment Funds Regulation:

- ◆ The Fund's Board of Directors shall, based on the Fund Manager's recommendations, reserve the right to terminate the Fund by notifying the Authority in writing of such wish and announcing the same on the websites of the Fund Manager and the Saudi Stock Exchange "Tadawul" at least 21 days before the intended date of the Fund's termination, without prejudice to the Fund's Terms & Conditions.
- ◆ If the term of the General Fund is limited, the Fund Manager shall terminate the Fund at the end of that term, notify the Authority in writing and announce the same on the websites of the Fund Manager and the Saudi Stock Exchange "Tadawul" at least 21 days before the end of the Fund's term.
- ◆ When a certain incident occurs, the Authority shall be notified in writing and the same shall be announced on the websites of the Fund Manager and the Saudi Stock Exchange "Tadawul" within (5) days from the occurrence of the incident that requires the Fund's termination.

B) Information on the procedures to liquidate the Investment Fund.

The Fund Manager shall announce the end of the Fund's term and the Fund's liquidation period on the websites of the Fund Manager and the Saudi Stock Exchange "Tadawul".

- ◆ If the Fund's assets are liquidated, the Fund Manager shall announce the results of the Fund's liquidation on the websites of the Fund Manager and the Saudi Stock Exchange "Tadawul".
- ◆ The Fund's assets shall be liquidated and the Fund's obligations shall be settled with distributing the remainder of the outcome of this liquidation to the subscribers at the rate represented by their respective units to the total units confirmed by the Manager to have been issued then.
- ◆ Any information on the Fund shall be removed from the websites of the Fund Manager and the Saudi Stock Exchange "Tadawul".
- ◆ The Fund's bank and investment accounts shall be closed.
- ◆ The Fund Manager shall prepare the Fund's termination plan and procedures for the benefit of unit holder, and the approval of the Fund's Board of Directors on this plan (as applicable) shall be obtained before taking any action in this regard.
- ◆ The Fund Manager shall announce the end of the Fund's term or the Fund's liquidation period on the websites of the Fund Manager and the Saudi Stock Exchange "Tadawul" in accordance with the controls specified by the Authority (as applicable).
- ◆ The Fund Manager shall provide unit holder with the Fund's termination report, as required by the Addendum No. (14) to the Investment Funds Regulation, within no more than (70) days from the completion of the Fund's termination or liquidation, including the Fund's audited final financial statements for the period following the last audited annual financial statements.

C) If the Fund's term expires, the Fund Manager shall not receive any fees deducted from the Fund's assets.

21. Fund Manager

A) Name, duties and responsibilities of the Fund Manager

SAB Invest Company.

The Fund Manager shall be responsible for the compliance with the Investment Funds Regulation, whether it performs its duties and responsibilities directly or it is tasked with the same by an external entity, pursuant to the provisions of the aforesaid Regulation and the Capital Market Institutions' Regulation. The Fund Manager shall be responsible toward unit holder for the Fund's losses resulting from its fraudulent act, negligence, misconduct or willful default.

B) Number and date of the license issued by the Capital Market Authority

License No. 37-07077 issued on 22 July 2007 AD.

C) Registered and head office address of the Fund Manager

Olaya Main Street P.O. Box 1467 Riyadh - 11431 Kingdom of Saudi Arabia

Phone Number: 011 4163133

Free Number: 800-124-2442

D) The website of the Fund Manager, and any other website that is linked to the Fund Manager and includes information on the Investment Fund (if any)

Website: www.sabinvest.com

E) Description of the capital paid to the Fund Manager

The paid capital of the company is 840 Million SAR.

F) Summary of the Fund Manager's financial information showing revenues and profits of the previous fiscal year

The total Assets of the company is 734,210,000 SAR compared to 724,156,000 SAR for the pervious year, and the income of the company is 40,166,000 compared with 43,395,000 SAR for the previous year, the Net loss for the year is 15,297,000 SAR compared with a loss of 1,787,000 SAR for the previous year.

G) Key roles of the Fund Manager and its responsibilities concerning the Investment Fund

The Fund Manager shall work for the benefit of unit holder pursuant to the provisions of the Investment Funds' Regulation, the Capital Market Institutions' Regulation, and the Fund's Terms & Conditions.

The Fund Manager shall comply with all principles and duties stipulated in the Capital Market Institutions' Regulation, including the duty of trust toward unit holder, which involves working for their own benefit and performing reasonable diligence.

Regarding the Investment Fund, the Fund Manager shall be responsible for the following:

- ◆ Establish and register the Fund.
- ◆ Monitor performance and work to achieve the Fund's objectives.
- ◆ Regularly check the processes of re-balancing the Fund's components to match the level of re-balancing the Index's components.
- ◆ Appoint and constantly coordinate with the market maker to complete the processes of units' creation and recovery.
- ◆ Appoint the Index service provider.
- ◆ Appoint and constantly coordinate with the custodian in the processes of creation and recovery of traded units.
- ◆ Identify and announce the components of the shares basket; and announce the cash elements, if any.
- ◆ Ensure that the market maker provides liquidity in the secondary market of the Fund's units.
- ◆ Ensure the correct calculation of the indicative net asset value and the net asset value of the unit.

H) Any other business activities or interests of the Fund Manager that have material significance or could be conflicting with the Investment Fund's activities

There is no fundamental conflict of interest on the part of the fund manager that is likely to affect the performance of its obligations towards the fund. In the event of a conflict, the fund manager will disclose it to the fund's board of directors to consider the procedures to ensure that the interest of the fund (unitowners) is presented to the interest of the fund manager.

There are no business activities or interests of the Fund Manager or Members of the Fund's Board of Directors that could be conflicting with their responsibilities or performance toward the Fund. If they exist, they shall be disclosed.

I) Description of the Fund Manager's right to appoint a Sub Fund Manager

The Fund Manager may appoint a third party or any of its subordinates to manage the Fund, or appoint a Sub Fund Manager. If the Fund Manager effectuates this feature, it shall notify the unit holder through the websites of the Saudi Stock Exchange "Tadawul" and the Fund Manager at least 21 days before handing over the Fund's management.

J) Provisions regulating the Fund Manager's dismissal or replacement

The Capital Market Authority may dismiss or replace the Fund Manager in the following situations:

- ◆ The Fund Manager ceases practicing the activity of investments management and funds operation without notifying the Authority pursuant to the Capital Market Institutions' Regulation.
- ◆ The Fund Manager's license to practice the activity of investments management and funds operation is cancelled, withdrawn or suspended by the Authority.
- ◆ The Fund Manager submits to the Authority an application for cancelling its license to practice the activity of investments management and funds operation.
- ◆ The Authority believes that the Fund Manager is in breach, which the Authority deems material, of the law or the executive regulations thereof.
- ◆ The Investment Portfolio Manager, who is managing the Fund, dies or suffers disability or resigns; and there is no other person registered with the Fund Manager able to manage the Fund's assets.
- ◆ Any other situation the Authority deems to have material significance based on reasonable grounds.

22. Fund Operator

A) Name of the Fund Operator

SAB Invest Company

B) Number and date of the license issued by the Capital Market Authority

License No. 37-07077 issued on 22 July 2007 AD.

C) Registered and business address of the Fund Operator

Olaya Main Street P.O. Box 1467 Riyadh - 11431 Kingdom of Saudi Arabia

Phone Number: 011 4163133

Free Number: 800-124-2442

D) Description of the key roles of the Fund Operator and its responsibilities concerning the Investment Fund

- ◆ The Fund Operator shall be responsible for operating the Fund.
- ◆ The Fund Operator shall keep books and records relating to the Fund's operation.
- ◆ The Fund Operator shall prepare and update the Unit Holder Register and maintain it in KSA as per the requirements of the Investment Funds Regulation.

- ◆ The Fund Operator shall be responsible for distributing profits, if any, in accordance with the distribution policy stipulated in these Terms & Conditions.
- ◆ The Fund Operator shall carry out the subscription and recovery procedures as stipulated in these Terms & Conditions.
- ◆ The Fund Operator shall be responsible for the full and fair evaluation of the Fund's assets and the calculation of the Fund units' price.

E) Description of the Fund Operator's right to appoint a Sub Fund Operator

- ◆ The Fund Operator may appoint one or more third parties or any of its subordinates to sub-operate any Investment Fund it is handling the assets thereof, after notifying the Fund Manager of the same. The Fund Operator shall cover, from its own resources, the charges and expenses of any Sub Fund Operator.
- ◆ Until the date of preparing these Terms & Conditions, the Fund Operator has not tasked a third party with any Fund-related works.

F) The missions for which the Fund Operator appointed a third party concerning the Investment Fund

The Fund Operator may appoint one or more third parties or any of its subordinates to sub-operate any Investment Fund it is handling the assets thereof, after notifying the Fund Manager of the same.

23. Custodian

A) Name of the Custodian

Albilad Capital

B) Number and date of the license issued by the Capital Market Authority

License No. 37-08100 issued on 25 May 2008 AD.

C) Registered and business address of the Custodian

The address of the Custodian is as follows:

P.O. Box 140, Riyadh 11411, Kingdom of Saudi Arabia

Phone No.: +966 9200 003636

Email: custody@albilad-capital.com

Website: www.albilad-capital.com

D) Description of the key roles of the Custodian and its responsibilities concerning the Investment Fund

- ◆ Maintain the Fund's assets.
- ◆ Open an account for the Fund in its name with one of the local banks in favor of the Fund.
- ◆ Separate the Fund's assets and register the Fund's securities in the Custodian's name in favor of the Fund.
- ◆ Keep all necessary documents that confirm the performance of its contractual obligations toward the Fund.
- ◆ Deposit the Fund's cash amounts into the Fund's account.
- ◆ Manage the Fund's cash process, including deduction of investment amounts and Fund expenses, in accordance with the Fund's Terms & Conditions.
- ◆ The Custodian or Sub Custodian shall not be the Fund Manager or a subordinate to the Sub Fund Manager.

- ◆ The Custodian shall be responsible for its obligations pursuant to the provisions of the Investment Funds Regulation and these Terms & Conditions toward the Fund Manager and unit holder for the Fund's losses resulting from its fraudulent act, negligence, misconduct or willful default.
- ◆ The Custodian shall be responsible for maintaining and protecting the Fund's assets for the benefit of unit holder.
- ◆ The Custodian shall be responsible for taking necessary administrative actions related to maintaining the Fund's assets.

E) Description of the Custodian's right to appoint a Sub Custodian

The Custodian may appoint a third party to act as Custodian, or any of its subordinates to act as Sub Custodian, and shall cover, from its own resources, the fees and expenses of such appointment. The appointed Custodian or Sub Custodian must be a person licensed by the Capital Market Authority to practice the custody activity pursuant to the KSA Capital Market Institutions' Regulation.

F) The missions for which the Custodian appointed a third party concerning the Investment Fund

The Custodian may appoint one or more third parties or any of its subordinates to act as Sub Custodian for any Investment Fund it is handling the assets thereof, after notifying the Fund Manager of the same. The Custodian shall cover, from its own resources, the charges and expenses of any Sub Custodian.

G) Description of the provisions regulating the Custodian's dismissal or replacement

CMA and the Unitholders may dismiss or replace the Fund Custodian where

- ◆ The Custodian ceases to carry on custody duties without notifying CMA under the Authorized Persons Regulations;
- ◆ The Custodian's relevant authorization to carry on custody activities is terminated or suspended by CMA;
- ◆ A request is made by the Custodian to CMA to cancel its authorization to carry on custody activities; or
- ◆ CMA believes that the Custodian has failed, in a manner that CMA considers material, to comply with the Capital Market Law or its executive Regulations.

The Fund Manager may dismiss or replace the Fund Custodian in the event of:

- ◆ The Fund Manager may dismiss the Custodian by a written notice if it reasonably sees that dismissal serves the best interests of Unitholder. The Fund Manager shall immediately notify CMA and Unitholders in writing of the same on the Fund Manager's website or Tadawul website.
- ◆ The Fund Manager shall promptly disclose the dismissal of the Custodian on its own website and that of "Tadawul" and appoint a replacement custodian.
- ◆ If the Custodian is dismissed by CMA or the Fund Manager, the Fund Manager shall appoint another Custodian within thirty (30) days from the dismissed Custodian's receipt of the written notice. The dismissed Custodian shall fully co-operate in order to facilitate a smooth transfer of responsibilities and Fund assets to the replacement Custodian.

24. Fund Board

(a) Names and Types of Membership of the Board Members:

The Fund is managed by a Board of Directors composed of independent Board members and Board members affiliated to SAB Invest Company namely:

- 1- Hamad Ibrahim Al-Washmi, Chairman of the Board of Directors, (a non-independent Board member);
- 2- Tariq Saad Abdul Aziz Al-Tuwaijri, (an independent Board member);
- 3- Ali Saleh Al-Othaim, (an independent Board member);
- 4- Abdulrahman Al-Mudaimigh, (an independent Board member); and

5- Rehab Saleh Al-Khudair, (a non-independent Board member).

(B) Overview on the Qualifications of the Fund Board Members

Names of Members of the Fund's Board of Directors	Experience and qualifications	Current position
Hamad Ibrahim Al-Washmi (Chairman of the Board of Directors – Non-Independent Member)	<ul style="list-style-type: none"> - Head of Compliance, HSBC Saudi Arabia (2018) - Member of Audit Committee, Najm Insurance Co. (2002) - Head of Customer Experience, SABB Customer Experience Department, SABB Bank (2016) - International Assignment with the Global Compliance Department, HSBC Holdings PLC, London, United Kingdom (2016) - Head of RBWM Compliance, Compliance Department, SABB (2014) - Senior Manager, Business Performance & Planning – Retail Banking & Wealth Management, SABB (2010) - Manager Business Performance & Planning, SABB (2009) - Relationship Manager – Large Corporate and Government Entities, Arab National Bank (2003) - Consumer Loans Credit Officer, Arab National Bank (2002) - Recommendation & Call Verification Units Supervisor, Arab National Bank (2002) - Package Account Unit Supervisor, Arab National Bank (2002) - Showroom Manager, Jarir Bookshop (2000) - MBA, University of San Diego, School of Business Administration, San Diego (2009) - Bachelor of Science in Business Administration (2000) 	<p>Chief Risk and Compliance Officer, HSBC Saudi Arabia (2021)</p>
Rehab Alkhudair (Non-Independent Member)	<ul style="list-style-type: none"> - Chief Operating Officer Asset Management, HSBC Saudi Arabia (2020) - Senior Investment Performance Analysis Manager– Asset Management Department, HSBC Saudi Arabia (2019) - Performance Analyst – Asset Management Department, HSBC Saudi Arabia (2016) - Assistant Performance Analyst – Asset Management Department, HSBC Saudi Arabia (2014) - Assistant Manager, Regulatory Compliance, HSBC Saudi Arabia (2014) - Assistant Financial Analyst - Treasury & Investments, Riyadh Bank (2012) - Master Degree in Finance Management, Durham University, United Kingdom (2013) - BBA, Finance (with honors degree), Al Yamamah University, Saudi Arabia (2010) 	<p>Chief Operating Officer Asset Management, SAB Invest (2022)</p>
Tariq Saad Abdul-Aziz Al-Tuwaijri (Independent Member)	<ul style="list-style-type: none"> - Director of Equity Investments at Nessel Holding Company (2010) - Deputy General Executive President of Mediation at Wasatah Capital Company (2008) - Senior Mediator at Al Jazeera Capital (2004) - Relations Director - Banking Services of Samba Financial Group (1998) 	<p>Head of the Nomination and Compensation Committee, Non-Independent Member of the Board of Directors of Thoub Al Asil</p>

	<ul style="list-style-type: none"> - Bachelor of Business Administration from the Open Arabian University (2015) - General Institute of Technical Education and Vocational Training, Diploma of Business Administration (2010) 	Company and Member of the Saudi Economics Association (2018)
Ali Saleh Ali Al-Othaim (Independent Member)	<ul style="list-style-type: none"> - Member of the Board Directors of Al Khair Capital (2012) - Member of the Board of Directors of the Chamber of Commerce and Industry, Riyadh (2003) - Member of the Board of Directors of Al Othaim Commercial Group (1998) - Deputy President of Al Othaim Jewelry (formerly) (1994) - Bachelor of Business Administration, Major: Financial Management, King Saud University (1998) 	Businessman
Abdulrahman Ibrahim Al-Mudaimigh (Independent Member)	<ul style="list-style-type: none"> - Board member of National Building and Marketing Company (2019) - Chairman of Future Ceramics (2019) - Board member of National Gypsum Company (2019) - Board member of Impact Capital Company (2019) - Board member of FIPCO (2019) - Board member of AL Maather REIT Fund (2017) - CEO of Watar Partners for Business Trading Company (2017) - Acting CEO of Bawan Company (2016) - Deputy President of Business Development for Bawan Company (2011) - Founding partner, General Manager of Bina Holding Company (2007) - Senior credit analyst for the Industrial Development Fund (2004) - MBA from London Business School (2018) - Bachelor degree in Financial Management from Prince Sultan University (2004) 	Executive partner of Watar Partners for Business Trading Company (2017)

(b) Roles and Responsibilities of the Fund Board of Directors

Responsibilities of the Fund Board Members include without limitation:

- ◆ Approving all contracts, decisions and material reports to which the Fund is a party.
- ◆ Approving a written policy with regard to the voting rights in respect of Fund assets.
- ◆ Supervising and, where appropriate, approving any conflict of interest disclosed by the Fund Manager pursuant to Article (13) of the IFR.
- ◆ Holding, twice a year at least, a meeting with the Conformity and Compliance Committee at the Fund Manager, or the officer in charge of Conformity and Compliance at the Fund Manager, in order to review compliance by the Fund with all relevant laws and regulations.
- ◆ Recognizing any recommendation raised by the liquidator, in case a liquidator is appointed.
- ◆ Ensuring completion and accuracy of the Fund Terms and Conditions and any other document involving disclosures in connection with the Fund and the Fund Manager as well as its management of the Fund and the amended Investment Funds Regulations.
- ◆ Ensuring that the Fund Manager is fulfilling its responsibilities in a way realizing the interests of the Unitholders pursuant to the Fund Terms and Conditions, and the amended provisions of the Investment Funds Regulations.
- ◆ Working honestly, in good faith, and exerting diligence, skill and care, and in a way realizing the interests of the Unitholders.

- ◆ Recording the minutes of meetings showing all the occurrences affecting the meetings and decisions taken by the Board.
- ◆ Approving delegating the powers and authorities of the Fund Manager to other financial institutions in order to function as adviser, sub-manager, custodian, agent or mediator after having obtained the approval by CMA.
- ◆ Approving the appointment of the Auditor.
- ◆ Approving the services authorized by the Manager in respect of keeping the books, subscription, redemption, sale and purchase and financial transfers, confirmation and information affecting the investments in response to the subscribers' inquiries.
- ◆ Assuming the tasks of follow-up and control of the Fund's performance, and ensuring that the Fund Manager carries out its responsibilities in a way realizing the interests of the Unitholders, pursuant to the Terms and Conditions of the Fund, the relevant documents and the provisions of the Investment Fund Regulations.

(d) Particulars of the Fund Board Members' Remuneration

Remuneration of the Board independent members shall be paid by the Fund.

(e) Statement of any real or potential conflict of interest between the interests of a Fund board member and those of the Fund

- ◆ There is no real or potential conflict between the interest of any Board member and the interests of the Fund.
- ◆ No Fund Board member may sit on the boards of directors of other funds in the Kingdom of Saudi Arabia.

The Board of Directors of the Fund shall supervise and resolve any conflicts of interest, and shall exercise due care and diligence towards Unitholders, and shall exert utmost effort to appropriately resolve conflicts of interest in good faith. The Fund Manager shall ensure that none of its subordinates is engaged in any business involving a conflict of interest. In the event of any material conflict between the interests of the Fund Manager or the Sub-Manager's interest and the interests of any investment fund managed thereby or another client's account, then the Fund Manager shall disclose this to the Board of Directors as soon as possible.

(f) Statement showing all Fund Boards of Directors participated in by the relevant Board Member:

Board members are members in the boards of directors of other funds, managed by the Fund Manager as set forth below:

Fund Name	Hamad Al-Washmi	Rehab Al-Khudair	Tariq Al-Tuwajri	Ali Saleh Al-Othaim	Abdulrahman Al-Mudaimigh
SAB Invest Saudi Riyal Murabaha Fund	√	√	√	√	√
SAB Invest US Dollar Murabaha Fund	√	√	√	√	√
SAB Invest Saudi Equity Fund	√	√	√	√	√
SAB Invest Saudi Equity Income Fund	√	√	√	√	√
SAB Invest Saudi Financial Institutions Equity Fund	√	√	√	√	√
SAB Invest Saudi Companies Equity Fund	√	√	√	√	√
SAB Invest Saudi Industrial Companies Equity Fund	√	√	√	√	√
SAB Invest Saudi Construction and Cement Companies Equity Fund	√	√	√	√	√
SAB Invest Global Equity Index Fund	√	√	√	√	√
SAB Invest GCC Equity Fund	√	√	√	√	√
SAB Invest China and India Equity Freestyle Fund	√	√	√	√	√
SAB Invest Multi Assets Defensive Fund	√	√	√	√	√
SAB Invest Multi Assets Balanced Fund	√	√	√	√	√
SAB Invest Multi Assets Growth Fund	√	√	√	√	√
SAB Invest Saudi Freestyle Equity Fund	√	√	√	√	√
SAB Invest MSCI Tadawul 30 Saudi ETF	√	√	√	√	√
SAB Invest Sukuk Fund	√	√	√	√	√
SAB Invest GCC Equity Income Fund	√	√	√	√	√

25. Sharia Supervisory Committee (if any)

Not Applicable

26. Investment Advisor (If any)

Not Applicable

27. Distributor (If applicable)

Not Applicable

28. Auditor

(a) Name of Auditor

Ernst & Young & Co.

(b) Registered address and business address of the Auditor

Al Faisaliah Office Tower – 14th Floor, King Fahad Road,

P.O. Box 2732, Riyadh 11461

Kingdom of Saudi Arabia

Telephone: + 966112159898

C) Key roles and responsibilities of the Auditor

The Auditor's responsibility shall be to express its opinion on the financial statements based on the audit it carries out in accordance with the audit standards recognized in KSA, which require the Auditor to comply with the requirements of professional ethics, in addition to planning and conducting audits to reach a reasonable level of the following:

- ◆ The financial statements are free of material errors. The Auditor's responsibilities also include taking actions to get evidence supporting the amounts and clarifications mentioned in the financial statements.
- ◆ How fit the adopted accounting policies, and how reasonable the used accounting estimates, are.
- ◆ The general representation of financial statements.

D) Provisions regulating the replacement of the Investment Fund's Auditor

The Fund Manager may replace the Auditor after obtaining the approval of the Fund's Board of Directors in the following situations:

- ◆ There are current and significant allegations about the Auditor's professional misconduct in carrying out its tasks.
- ◆ The Auditor is no longer independent.
- ◆ The Fund's Board of Directors determines that the Auditor does not have sufficient qualifications and experience to carry out audit tasks satisfactorily.
- ◆ The Authority, at its sole discretion, requests changing the Auditor appointed for the Fund.

29. Fund's Assets

A) A statement showing that the Investment Fund's assets are maintained by the Custodian in favor of the Investment Fund.

◆ **Assets Maintenance**

The Custodian shall maintain the Fund's assets in favor of the Fund owned by unit holder in the Fund. These assets shall not be considered a property of the Custodian who may only dispose of them pursuant to the Terms & Conditions of this Fund and the Assets Maintenance Agreement.

B) A statement showing that the Custodian must separate the assets of each Investment Fund from its own assets and those of its other customers.

◆ **Assets Separation**

To Separate the Fund's assets and register the Fund's securities in the Custodian's name in favor of the Fund.

C) A statement showing that the Investment Fund's assets are collectively owned by unit holder as common property.

◆ **Holderhip of Fund's Assets**

The Investment Fund's assets shall be considered as collectively owned by unit holder in the Fund; and the Fund Manager, Sub Fund Manager, Custodian, Sub Custodian, Advisor or Distributor may not have any interest or claim in the Fund's assets unless the Fund Manager, Sub Fund Manager, Custodian, Sub Custodian, Advisor or Distributor is an owner of the Fund's units, to the extent of its holderhip, or such claims are permissible pursuant to the provisions of the Investment Funds Regulation and are disclosed in the Terms & Conditions.

30. Complaints Procedures

The fund manager provides the procedures for handling complaints upon request, free of charge, and if any investor has a complaint regarding any investment fund, he must first consult the investment center with the "investment manager", and if the investor is not satisfied with the response from that center, he can direct the complaint to:

First Investment Company, p. B. 1467 Riyadh 11431, Tel: 4163133 Ext. 5388

Toll Free: 8001242442

Or through the unified email for complaints: aicustomer@care@sabinvest.com

Website: www.sabinvest.com

If no settlement is reached or no reply is received within 7 working days, the subscriber may submit his/her complaint to the Capital Market Authority – Investor Complaints Management. In addition, the subscriber may submit the complaint to the Securities Dispute Resolution Committee after (90) calendar days from submitting the complaint to the Authority, unless the Authority notifies the complainant that he/she may submit it to the Committee before the end of the aforesaid period.

31. Other Information

A) A statement showing that the policies and procedures to be followed for managing the conflict of interests and any potential and/or actual conflict of interests will be provided upon request free-of-charge.

In case of any conflict of interests between the Fund Manager and the Fund, it shall be directly referred to the Fund's Board of Directors to make the most appropriate decision. In all cases, the Fund's benefit, which represents the unit holder' benefit, shall be given precedence to the Fund Manager's benefit. Such points shall be recorded and announced in the Fund Manager's annual reports, which will be available free-of-charge on the websites of the Company and the Saudi Stock Exchange "Tadawul". In addition, the policies and procedures to

be followed for managing the conflict of interests and any potential and/or actual conflict of interests will be provided upon request free-of-charge.

B) The judicial entity that has the jurisdiction to consider any dispute arising out of the investment in Investment Funds is the Securities Dispute Resolution Committee.

The Securities Dispute Resolution Committee shall be the judicial entity that has the jurisdiction to consider any dispute arising out of the investment in this Fund.

C) A list of documents available to unit holder including the Terms & Conditions of the Fund and each contract mentioned in the Terms & Conditions, and the Fund Manager's financial statements.

Any investor in the Fund may obtain the below documents before subscribing to the Fund:

- ◆ Terms & Conditions of the investment-related Fund.
- ◆ Summary of key information.
- ◆ Financial statements for the last financial period.
- ◆ Contracts mentioned in these Terms & Conditions (the Auditor's contract, the Custodian's contract, the Sharia Authority's contract).

D) Any other information that is known, or should be known, reasonably to the Fund Manager or the Fund's Board of Directors, and could be – reasonably – requested by current or potential unit holder or their respective professional consultants, or expected to be included in the Fund's Terms & Conditions, based on which the investment decision will be made.

1. Special commissions and discounts, and the Fund Manager's policy regarding special commissions and discounts

We would like to point out that if there are special commissions, the type of such commissions received by the Fund Manager shall be announced in the Fund's annual reports, which will be available on the websites of the Company and the Saudi Stock Exchange "Tadawul". Regarding discounts of trading charges, the Fund Manager shall deal with a broker that can provide appropriate services in accordance with the Fund's needs. In such case, the Fund Manager shall give priority to the Fund's, not its own, interest. Based on the above, the customer acknowledges and agrees that the Company may enter into special commission arrangements where the Company receives commodities and services from a broker in addition to deals execution services against the commission paid for the deals directed through that broker.

E) Any exemptions from the restrictions of the Investment Funds Regulation approved by the Capital Market Authority, except those stated in the investment policies and practices.

The Fund Manager has not received or requested any exemptions from the Investment Funds Regulation.

32. Additional Information Requirements for Certain Types of Funds

Once they purchase the Fund's units, the holder of the Fund's units acknowledge and agree to the Fund's Terms & Conditions and other documents.

A. The Fund has two evaluation points:

- ◆ Net Asset Value (NAV) of the Unit: The net asset value of the unit shall be calculated at the end of each day by calculating the total value of the Fund's assets on basis of the shares' closing rates with adding the available cash and due distributions, deducting any due charges, and dividing the outcome by the number of the existing traded units. The net asset value of each unit in the Fund shall be published within two hours from the market's closure time.
- ◆ Indicative Net Asset Value (INAV) of the Unit: It shall be announced during the session and updated every 15 seconds. The indicative net asset value (INAV) of the unit shall be calculated by calculating the total

value of the Fund's assets on basis of the shares' market prices and available cash, and then deducting (or adding) the cumulative expenses (or the income) as at the end of the last working day, and dividing the outcome by the number of the existing traded units.

B. The Market Maker

SAB Invest and/or any other market maker appointed from time to time with the approval of the Capital Market Authority shall be the Fund's market makers.

Tasks of the Market Maker:

- ◆ Create units of the Fund and display them in the market.
- ◆ Provide offers for both purchasing and selling the Fund's units with a margin of no more than 2% between the purchase and sale prices.
- ◆ Contribute to the stability of the Fund's unit prices in the secondary market.
- ◆ The Market Maker shall fulfil its obligations separately from the Fund Manager, and all transactions shall be executed equally. These transactions shall be subject to an agreement that must be entered into by and between the Fund Manager and the Market Maker.
- ◆ For further information on statements and techniques of mitigating the potential conflict of interests, please refer to the Conflict of Interests Section of these Terms & Conditions.
- ◆ The Fund Manager shall seek to keep the deviation margin as low as possible compared to the Index's performance, taking into consideration the factors of income, charges and expenses. The Fund Manager shall review any possible deviation and apply the necessary procedures that mitigate its reduction.

5.1 The Fund shall seek to achieve a long-term growth and a performance level similar to that of the MSCI Tadawul 30 Index before deducting charges and expenses, with minimizing the rate of deviation between the Fund's performance and the Index's performance as much as possible. However, there are no guarantees that the Fund Manager can match the Index's performance.

5.2 The change in the Fund's investment portfolio and the re-balancing or changes in the Index's components could lead to costs that arise in transactions or cause ineffectiveness of the investment. In addition, the total return on investment in the Fund's units could decrease because of some expenses and costs compared to the Index, as they do not affect the Index, so the margin of the Fund's deviation coefficient rises compared to the Index.

C. The Index

The Index is the stock index "MSCI Tadawul 30", which represents the performance of about 30 registered companies considered the largest and most trading in the Saudi Stock Exchange. The weights of all components of this Index shall remain below a predetermined ceiling with a percentage of 15% of the Index's value to limit the dominance of the major stocks on the Index.

D. Publication of the Index

The Index shall be calculated daily on basis of the official closing prices of the Index's stocks. In addition, the information and updated Index value shall be available during trading hours on the website of the Saudi Stock Exchange ("Tadawul").

5.3 For further information on the Index's components, please visit the Company's website www.sabinvest.com.

5.4 If the Index service provider cannot continue to provide the Index services, the Fund Manager shall move to another Index service provider within appropriate time. The targeted Index shall not be changed, and anyway an annual review shall be conducted to check how fit the Index is for achieving the Fund's objectives.

To achieve the Fund's investment objectives, a maximum of (0.75%) shall be established for expenses. Thus, the Fund Manager shall try to limit and reduce the rate of deviation. Furthermore, the Fund Manager shall constantly review the rate of deviation to reduce it.

33. Unitholder Declaration

I/We have read, understood and agreed to the Fund's Terms & Conditions and Addendums, and acknowledge the familiarity with the characteristics of the units subscribed for in the Fund.

Unitholders shall be deemed to have accepted and signed the Terms and Conditions of SAB Invest MSCI Tadawul 30 Saudi ETF, upon purchase of units in the fund.