

GENERAL INSTRUCTION MANUAL

ISSUING ORG. LAND AFFAIRS DEPARTMENT/SAUDI ARAMCO AFFAIRS

ISSUE DATE
11/01/2017
REPLACES
12/31/2013

SUBJECT ACQUISITION OF LAND

APPROVAL
USA
PAGE NO.
1 OF 2**CONTENT:**

This instruction delineates the procedures with regards to the acquisition of land by Saudi Aramco. The text includes:

1. Glossary
2. Purpose
3. Sources
4. Procedures

1.0 Glossary:

GIS : Geographical Information System
 GSSD: Geographical and System Support Davison
 LAD : Land Affairs Department
 LAW : Law Organization
 LMS : Land Management System
 MEIM: Ministry of Energy and Industry and Mineral Resources
 MPS : Miscellaneous Payment System
 UTM : Universal Transfer Marketer

2.0 PURPOSE:

The purpose of this instruction is to explain the procedure to be followed in order to satisfy the company's land acquisition requirements.

3.0 SOURCES:

Saudi Aramco departments which need to utilize privately owned properties for Company operations in the Kingdom.

4.0 PROCEDURE:

- 4.1 A Saudi Aramco proponent organization submits a letter signed by the department head to the Manager of LAD. The letter should include the necessary information such as the purpose of usage, location and size of the area to be acquired. The proponent organization is responsible to provide the fund for the land acquisitions after securing the necessary approvals.
- 4.2 Request urgency and need of land will be evaluated by LAD. LAD shall consult with Finance, Procurement & Supply Chain Management, LAW (if needed), and/or any other Company organization as deemed necessary, to decide whether to continue to directly purchase the land or acquire it through expropriation.
- 4.3 If decided by LAD that the Company should purchase the land through direct purchase the following will be practiced:
 - 4.3.1 A representative from LAD should visit the site, accompanied with a representative from the proponent organization, if required.
 - 4.3.2 A "fair market price" shall be determined using three estimates from valuers certified by Saudi Authority for Accredited Valuers for the property to be purchased. This price should be used as a guideline for negotiation with the owner.
 - 4.3.3 LAD representatives shall first obtain a copy of the property deed from the owner or his legal representative and assure its validity through reviewing the obtained date of the deed and the prior to meeting with the owner to negotiate the price.
 - 4.3.4 If an agreement is reached with the owner on the purchase price for the land, LAD-Manager, recommends payment by initiating "Payment Authorization" through MPS for approval by the proponent organization. When the check is ready, it will be collected from Financial Accounting Department by LAD authorized personnel and kept in LAD until it is delivered to the owner at the court or notary public.

* CHANGE

** ADDITION

NEW INSTRUCTION ■

COMPLETE REVISION □

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APPROVAL
USAPAGE NO.
2 OF 2

4.4 If decided that the company will result to expropriating the land as highlighted in Sec 4.2 the following will be practiced:

4.4.1 LAD sends a letter, with an Arabic map attached, showing the subject land to MEIM and requesting the expropriation approval.

4.4.2 Once the Company receives the expropriation order from MEIM, LAD sends a letter to the Manager of the Public Relations Department, requesting the publication of the expropriation order in three local newspapers.

4.4.3 LAD participates in the relevant Government committees established pursuant to the expropriation order.

4.4.4 Once the proceedings of the expropriation committees is over, the Manager, LAD recommends payment by initiating "Payment Authorization" through MPS for approval by the proponent organization. When the check is ready, it will be collected from Financial Accounting Department by LAD authorized personnel and kept in LAD until it is delivered to the owner at the court or notary public.

4.5 If only a portion of the property is to be acquired, the owner has to provide the Court with a sketch endorsed by the concerned Municipality for that portion.

4.6 The owner signs a "HOLD HARMLESS LETTER" to protect the Company from any and all possible future claims in relation to the purchased land. .

4.7 The proponent organization will be notified in writing by LAD to utilize the land when the transfer of ownership is concluded.

Approved by:

Manager, Land Affairs Department