

SAUDI ARABIAN OIL COMPANY (Saudi Aramco)

GENERAL INSTRUCTION MANUAL

GI NUMBER Approved

885.003

ISSUING ORG. LAND AFFAIRS DIVISION/SAUDI ARAMCO AFFAIRS

ISSUE DATE

04/19/2005

REPLACES

02/21/2001

SUBJECT ACQUISITION OF LAND

APPROVAL

KAD

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CONTENT:

This instruction delineates the procedures involved in Saudi Aramco acquiring land to meet its domestic and international obligations. The text includes:

1. Purpose
2. Sources
3. Procedures

1.0 PURPOSE:

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

2.0 SOURCES:

Saudi Aramco departments which need to utilize privately owned properties for Company operation all over the Kingdom.

3.0 PROCEDURE:

- * 3.1 A Saudi Aramco proponent organization submits a letter signed by the department head to the Director of Land Affairs Division/Saudi Aramco Affairs. The letter should consist of information such as the purpose of usage, location and size of the area to be purchased.
- 3.2 A representative from Land Affairs will visit the site accompanied by a representative of the proponent, if required. Land Affairs will then obtain the property deed from the owner or his legal representative and assures its validity.
- 3.3 A "fair market price" will be determined through Real Estate offices for the property to be purchased. This price will be used as a guideline for negotiation with the owner.
- 3.4 Representatives from Land Affairs Division and the proponent department will meet with the owner(s) to negotiate the price.
- 3.5 If an agreement is reached with the owner(s) on the price figure, then a purchase transaction will be processed as in par. 3.7.
- 3.6 If an agreement cannot be reached, the Company requests the concerned Government department to refer the matter to a special Land Evaluation Committee to resolve the impasse.

* CHANGE

** ADDITION

NEW INSTRUCTION ☐COMPLETE REVISION ☐

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- * 3.7 When an agreement is reached through par. 3.5 or par. 3.6, the Director, Land Affairs Division recommends payment by initiating Saudi Aramco's payment Form A-60 "Payment Authorization" for approval by the proponent department for further processing through the Accounting Dept. When the check is ready, it will be picked up from Accounting by Land Affairs's authorized personnel.
- 3.8 If only a portion of the property is to be purchased, the owner has to provide the Court with a sketch endorsed by the concerned Municipality for that portion.
- 3.9 The check will be delivered to the land owner through the authorized Company representative, who holds a "Power of Attorney" accredited by the State Registrars offices, to consummate the transfer process of the land ownership to the name of Saudi Aramco.
- 3.10 At the Court, the owner will sign a "HOLD HARMLESS LETTER" to protect the Company from future claims.
- 3.11 Proponent Department will be notified in writing by Land Affairs to utilize the land when the transfer of ownership is concluded.

Approved by:

* Land Affairs Director

* CHANGE

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