

## **IMPORTANT NOTICE**

### **NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES OR TO ANY U.S. PERSON**

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached base prospectus (the “**Base Prospectus**”) and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the Base Prospectus is confidential and intended only for you and **you agree you will not forward, reproduce or publish this electronic transmission or the Base Prospectus to any other person.**

**NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THIS BASE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.**

**THE BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.**

Any securities described in the Base Prospectus which do not constitute “alternative finance investment bonds” (“**AFIBs**”) within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000 (the “**FSMA**”)) which has not been authorised, recognised or otherwise approved by the United Kingdom Financial Conduct Authority. Accordingly, the securities must not be marketed in the United Kingdom (the “**UK**”) to the general public and the Base Prospectus is not being distributed to, and must not be passed on to, the general public in the UK.

The distribution in the UK of the Base Prospectus, any final terms and any other marketing materials relating to the securities is being addressed to, or directed at: (A) if the securities are AFIBs and the distribution is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”), (ii) persons falling within any of the categories of persons described in Article 49 (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise

lawfully be made in accordance with the Financial Promotion Order; and (B) if the securities are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the “**Promotion of CISs Order**”), (ii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order (all such persons together being referred to as “**relevant persons**”).

**Confirmation of your representation:** By accessing the Base Prospectus you confirm to Ezdan Holding Group Q.P.S.C. (the “**Obligor**”), Ezdan Sukuk Company Limited (the “**Trustee**”) and each of HSBC Bank plc and Mashreqbank P.S.C. (the “**Arrangers**”) and any dealers appointed under the Programme from time to time by the Obligor and the Trustee, which appointment may be for a specific issue of Certificates or on an ongoing basis (together, the “**Dealers**”) that (i) you understand and agree to the terms set out herein; (ii) you are a relevant person; (iii) you are not a U.S. person (within the meaning of Regulation S), or acting for the account or benefit of a U.S. person, and, to the extent that you purchase the securities described herein, you will be doing so pursuant to Regulation S, and that the electronic mail address that you have given is not located in the United States (including the State and District of Columbia), its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Maui Islands); (iv) you consent to delivery of the Base Prospectus and any supplements thereto by electronic transmission; (v) you will not transmit the Base Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person; and (vi) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the Certificates.

You are reminded that the Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of the Base Prospectus to any other person. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

The Base Prospectus does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that an offering of securities described herein be made by a licensed broker or dealer and the Arrangers and the Dealers or any affiliate of the Arrangers or the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Arranger or Dealer or such affiliate on behalf of the Obligor or holders of the applicable securities in such jurisdiction.

Under no circumstances shall the Base Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the Base Prospectus who intend to subscribe for or purchase the securities described herein are reminded that any subscription or purchase may only be made on the basis of the information contained in the Base Prospectus, the applicable Final Terms and/or supplement(s) to the Base Prospectus (if any).

The distribution of the Base Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus comes are required by the Obligor, the Trustee, the Arrangers and the Dealers to inform themselves about, and to observe, any such restrictions.

The Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently

none of the Obligor, the Trustee, the Arrangers or the Dealers nor any person who controls them nor any director, officer, employee nor agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Obligor, the Trustee, the Arrangers and the Dealers. Please ensure that your copy is complete. If you received the Base Prospectus by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the “reply” function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The Dealers are acting exclusively for the Obligor and the Trustee and no one else in connection with any offer of the securities described in the Base Prospectus. They will not regard any other person (whether or not a recipient of the Base Prospectus) as their client in relation to any offer of the securities described in the Base Prospectus and will not be responsible to anyone other than the Obligor and the Trustee for providing the protections afforded to their clients nor for giving advice in relation to any offer of the securities described in the Base Prospectus or any transaction or arrangement referred to herein.



# Ezdan Sukuk Company Limited

*(incorporated with limited liability under the laws of the Cayman Islands)*

## U.S.\$2,000,000,000 Trust Certificate Issuance Programme

Under the U.S.\$2,000,000,000 trust certificate issuance programme (the “**Programme**”) described in this Base Prospectus (the “**Base Prospectus**”), Ezdan Sukuk Company Limited (in its capacity as issuer and trustee, the “**Trustee**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue trust certificates (the “**Certificates**”) denominated in any currency agreed between the Trustee and the relevant Dealer(s) (as defined below).

Certificates may only be issued in registered form. The maximum aggregate face amount of all Certificates from time to time outstanding under the Programme will not exceed U.S.\$2,000,000,000 (or its equivalent in other currencies, calculated as provided for in the Dealer Agreement described herein), subject to increase as described herein.

The Certificates may be issued on a continuing basis to one or more of the Dealers specified under “Overview of the Programme” and any additional Dealer(s) (each a “**Dealer**” and together, the “**Dealers**”) appointed under the Programme from time to time by the Trustee and Ezdan Holding Group Q.P.S.C. (the “**Obligor**” or “**Ezdan**”), which appointment may be for a specific issue of Certificates or on an ongoing basis. References in this Base Prospectus to the “**relevant Dealer(s)**” shall, in the case of an issue of Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Certificates.

**An investment in Certificates issued under the Programme involves certain risks. For a discussion of the principal risk factors that may affect the ability of the Trustee to fulfil its obligations under the Certificates, see “Risk Factors”.**

The Certificates to which this Base Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Certificates offered should conduct their own due diligence on the Certificates. If you do not understand the contents of this Base Prospectus you should consult an authorised financial adviser.

Each Series (as defined herein) of Certificates issued under the Programme will be constituted by: (i) a master declaration of trust (the “**Master Declaration of Trust**”) dated 20 March 2017 entered into by the Trustee, the Obligor and Citibank, N.A., London Branch as delegate of the Trustee (in such capacity, the “**Delegate**”); and (ii) a supplemental declaration of trust (each a “**Supplemental Declaration of Trust**”) in relation to the relevant Series. Certificates of each Series confer on the holders of the Certificates from time to time (the “**Certificateholders**”) the right to receive payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the “**Trust**”).

This Base Prospectus has been approved by the Central Bank of the Republic of Ireland (“**Ireland**”) as competent authority under Directive 2003/71/EC, as amended (including by Directive 2010/73/EU) (the “**Prospectus Directive**”). The Central Bank of Ireland only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union (the “**EU**”) law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange plc for the Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the “**Official List**”) and to trading on its regulated market (the “**Main Securities Market**”). The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (“**MiFID**”). Such approval relates only to the Certificates which are to be admitted to trading on a regulated market for the purposes of MiFID and/or which are to be offered to the public in any relevant member state of the European Economic Area (an “**EU Member State**”).

References in this Base Prospectus to Certificates being listed (and all related references) shall mean that such Certificates have been admitted to listing on the Official List and to trading on the Main Securities Market or, as the case may be, another MiFID regulated market as may be specified in the applicable final terms relating to the relevant Series (the “**applicable Final Terms**”). The Programme provides that Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee and the Obligor. However, unlisted Certificates may be issued pursuant to the Programme. The Final Terms in respect of the issue of any Certificates will specify whether or not such Certificates will be listed on the Official List and admitted to trading on the Main Securities Market (or any other stock exchange).

Each Series of Certificates will initially be represented by a global certificate in registered form (a “**Global Certificate**”). Global Certificates will be deposited on the relevant issue date with, and registered in the name of a nominee for, a common depository (the “**Common Depository**”) on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”). The provisions governing the exchange of interests in Global Certificates for definitive Certificates are described in “*Summary of Provisions relating to the Certificates while in Global Form*”.

The Programme has been rated BBB- by Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”) and Ba1 by Moody’s Investors Service Ltd. (“**Moody’s**”). The Obligor has been assigned long term ratings of BBB- with a stable outlook by S&P and Ba1 with a stable outlook by Moody’s. Both S&P and Moody’s are established in the EU and registered under Regulation (EC) No 1060/2009, as amended (the “**CRA Regulation**”). As such, S&P and Moody’s are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

Series of Certificates (as defined in “*Overview of the Programme – Method of Issue*”) to be issued under the Programme will be rated or unrated. Where a Series of Certificates is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme or Certificates already issued. Where a Series of Certificates is rated, the applicable rating(s) will be specified in the applicable Final Terms. Whether or not a rating in relation to any Series of Certificates will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, reduction, suspension or withdrawal at any time by the assigning rating agency.

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the Executive Shariah Committee of HSBC Saudi Arabia Limited and the Shari’ah Supervisory Board of Mashreq Al Islami of Mashreqbank P.S.C. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Certificates and should consult their own Shariah advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with Shariah principles.

### *Arrangers and Dealers for the Programme*

**HSBC, Mashreqbank P.S.C.**

The date of this Base Prospectus is 20 March 2017

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Trustee, the Obligor, the Obligor and its subsidiaries and affiliates taken as a whole (the “**Group**”) and the Certificates which, according to the particular nature of the Trustee, the Obligor, the Group and the Certificates, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Trustee and the Obligor.

The Trustee and the Obligor accept responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Trustee and the Obligor (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. This Base Prospectus should be read and construed together with any supplements hereto and, in relation to any Series of Certificates, should be read and construed together with the applicable Final Terms.

Certain statistical data and other information appearing in this Base Prospectus has been extracted from public sources where it appears in this Base Prospectus. None of the Arrangers, the Dealers, the Delegate, the Trustee or the Obligor accepts responsibility for the factual correctness of any such statistics or information but the Obligor and the Trustee accept responsibility for accurately extracting and transcribing such statistics and information and believe, after due inquiry, that such statistics and information represent the most current publicly available statistics and information from such sources at the dates and for the periods with respect to which they have been presented. Without prejudice to the foregoing, the Obligor and the Trustee confirm that all such third party information has been accurately reproduced and, so far as each of them is aware and has been able to ascertain from that published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the Programme or the issue or sale of the Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Trustee, the Obligor, the Arrangers, any of the Dealers or the Delegate. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Trustee or the Obligor since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Trustee or the Obligor since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of any Certificates which are to be admitted to trading on a regulated market within the European Economic Area (the “**EEA**”) or offered to the public in an EU Member State in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Certificates).

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offering or sale of the Certificates in certain jurisdictions may be restricted by law. None of the Trustee, the Obligor, the Arrangers, the Dealers or the Delegate represent that this Base Prospectus may be lawfully distributed, or that the Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee, the Obligor, the Arrangers, the Dealers or the Delegate which is intended to permit a public offering of the Certificates or the distribution of this Base Prospectus in

any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus comes are required by the Trustee, the Obligor, the Arrangers, the Dealers and the Delegate to inform themselves about and to observe any such restrictions.

In particular, the Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Subject to certain exceptions, Certificates may not be offered, sold or delivered within the United States or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Each purchaser of the Certificates is hereby notified that the offer and sale of Certificates to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S. In addition to the United States, there are also restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the Cayman Islands, the Dubai International Financial Centre, the European Economic Area (the “**EEA**”), the Kingdom of Bahrain (“**Bahrain**”), Hong Kong, Japan, Malaysia, the State of Qatar (“**Qatar**”), the Kingdom of Saudi Arabia (“**Saudi Arabia**”), Singapore, the United Arab Emirates (the “**UAE**”) (excluding the Dubai International Financial Centre), the United Kingdom and Switzerland (see “*Subscription and Sale*”).

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Trustee, the Obligor, the Arrangers, the Dealers or the Delegate to subscribe for, or purchase, any Certificates. None of the Dealers, the Arrangers, the Delegate, the Trustee or the Obligor makes any representation or comment or gives any advice to any investor in the Certificates regarding taxation matters relating to the Certificates or the legality of its investment under any applicable laws. Any investor in the Certificates should be able to bear the economic risk of an investment in the Certificates for an indefinite period of time.

To the fullest extent permitted by law, none of the Arrangers, the Dealers or the Delegate accept any responsibility for the contents of this Base Prospectus or for any other statement made, or purported to be made, by an Arranger or a Dealer or on its behalf in connection with the Trustee, the Obligor or the issue and offering of the Certificates and no representation, warranty or undertaking, express or implied, is made by them in relation thereto. Each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other such statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Trustee, the Obligor, the Arrangers, the Dealers or the Delegate that any recipient of this Base Prospectus or any other such statements should purchase the Certificates. Each potential purchaser of Certificates should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Certificates should be based upon such investigation as it deems necessary. None of the Arrangers or the Dealers undertakes to review the financial condition or affairs of the Trustee or the Obligor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Certificates of any information coming to the attention of the Arrangers or any of the Dealers.

The Certificates may not be a suitable investment for all investors. Each potential investor in any Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Certificates, the merits and risks of investing in the relevant Certificates and the information contained in this Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Certificates and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Certificates, including where any Dissolution Distribution Amount or Periodic Distribution Amount (each as defined herein) payments are payable in one or more currencies, or where the currency for Dissolution Distribution Amount or Periodic Distribution Amount payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Certificates and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

The Certificates are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Certificates which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of such Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

**EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, LEGAL ADVISER AND BUSINESS ADVISER AS TO TAX, LEGAL AND BUSINESS AND RELATED MATTERS CONCERNING THE PURCHASE OF THE CERTIFICATES. IN PARTICULAR, PROSPECTIVE INVESTORS SHOULD DETERMINE WHETHER AND TO WHAT EXTENT (I) THE CERTIFICATES ARE LEGAL INVESTMENTS FOR THEM, (II) THE CERTIFICATES CAN BE USED AS COLLATERAL FOR VARIOUS TYPES OF BORROWING AND (III) OTHER RESTRICTIONS APPLY TO THEIR PURCHASE OR PLEDGE OF ANY CERTIFICATES. FINANCIAL INSTITUTIONS SHOULD CONSULT THEIR LEGAL ADVISERS OR THE APPROPRIATE REGULATORS TO DETERMINE THE APPROPRIATE TREATMENT OF THE CERTIFICATES UNDER ANY APPLICABLE RISK-BASED CAPITAL OR SIMILAR RULES.**

**In connection with the issue of any Series (as defined in "*Overview of the Programme – Method of Issue*"), the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Certificates or effect transactions with a view to supporting the market price of the Certificates at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series and 60 days after the date of the allotment of the relevant Series. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

## CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Base Prospectus contains “**forward-looking statements**” – that is, statements related to future, not past, events. In this context, forward-looking statements often address the Obligor’s and the Group’s expected future business and financial performance, and often contain words such as “expect”, “anticipate”, “intend”, “may”, “plan”, “believe”, “seek” or “will”. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For the Group, particular uncertainties that could adversely affect its future results include: the Group’s ability to realise the benefits it expects from its existing operations, changes in the competitive environment in which the Group operates; the Group’s ability to maintain sufficient cash flow to fund its existing and future operations and its payment obligations under financing agreements, the Group’s exposure to natural disasters and risks resulting from potentially catastrophic events such as armed conflicts or other events disrupting business in its customers’ facilities, failure to comply with regulations such as environmental or safety standards applicable to the Group’s business; and changes in political, social, legal or economic conditions in the markets in Qatar or the GCC generally. Although the Obligor believes that the expectations, estimates and projections reflected in the Obligor’s forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise including those which the Obligor has identified in this Base Prospectus, or if any of the Obligor’s underlying assumptions prove to be incomplete or inaccurate, the Obligor’s actual future results may be materially different than those expressed in its forward-looking statements.

The forward-looking statements in this Base Prospectus speak only as at the date of this Base Prospectus. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “*Risk Factors*”. Without prejudice to any requirements under applicable laws and regulations, the Obligor expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any forward-looking statement is based.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Presentation of Financial Information

#### Historical financial statements

The financial statements relating to the Group and incorporated by reference in this Base Prospectus are:

- the audited consolidated financial statements as at and for the year ended 31 December 2015 including the comparative information as at and for the year ended 31 December 2014 (the “**2015 Financial Statements**”); and
- the audited consolidated financial statements as at and for the year ended 31 December 2016 including the comparative information as at and for the year ended 31 December 2015 (the “**2016 Financial Statements**” and, together with the 2015 Financial Statements, the “**Financial Statements**”).

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) issued by the International Accounting Standards Board (the “**IASB**”) and applicable requirements of Qatar Commercial Companies No. 11 of 2015.

Ezdan’s financial year ends on 31 December and references in this Base Prospectus to “**2014**”, “**2015**” and “**2016**” are to the 12-month period ending on 31 December in each such year.



### **Alternative Performance Measures**

This Base Prospectus includes certain of the Group's key non-IFRS ratios (together, **Alternative Performance Measures**) in the following sections: (i) *Terms and Conditions of the Notes – Covenants*; and (ii) *Financial Review – Borrowings*. The basis for the calculation of these Alternative Performance Measures in each of these sections is set out in the relevant notes thereto. Non-IFRS financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. See “– *Certain non-IFRS financial information*” below.

### **Certain non-IFRS financial information**

This Base Prospectus includes references to leverage and certain other ratios. Although these ratios are not IFRS measures, the Group believes that the capital and leverage ratios in particular are important to understanding its capital and leverage position, particularly in light of current or planned future regulatory requirements to maintain these ratios above prescribed minimum levels. The Group's interpretation of any future planned ratios and the basis of its calculation of these ratios may be different from those of other financial institutions. None of the non-IFRS financial information included in this Prospectus is subject to any audit or review by independent auditors.

### **Auditors and unaudited information**

The Financial Statements have been audited by Ernst & Young (“EY”), independent auditors, in accordance with International Standards on Auditing, as stated in their reports incorporated by reference herein.

Certain financial information in this Base Prospectus is unaudited financial information which has been extracted without material adjustment from the accounting records of the Group which form the underlying basis of the Audited Financial Statements. In particular, financial information included in “*Selected financial information—Selected consolidated ratios*” is unaudited. In addition, the ratios included in that section are not IFRS measures. The Group has included these ratios as it believes that they will be useful to potential investors when assessing the Group. The Group's basis of calculation of these ratios may be different from those of other companies.

### **Net investment income**

References in this document to “net investment income” are to the sum of the following line items in the Group's consolidated income statement:

- dividend income from available for sale (“AFS”) financial assets;
- net gain realised on sale of AFS financial assets;
- net gain realised on sale of investments in associates;
- (in the case of the 2016 Financial Statements) share of results of associates and a joint venture or (in the case of the 2015 Financial Statements) share of results of associates and a joint venture or (in the case of the 2014 Financial Statements) share of results of equity accounted investees;
- in 2016, gain on acquisition of a subsidiary and gain on acquisition of an associate; and
- in 2014, gain on acquisition of an associate.

The Group's net investment income amounted to QR 770 million in 2014, QR 797 million in 2015 and QR 1,465 million in 2016.

## **Presentation of other Information**

### **Currencies**

Unless otherwise indicated, in this Base Prospectus, all references to:

- “**riyal**” and “**QR**” are to the lawful currency of Qatar;
- “**U.S. dollars**” and “**U.S.\$**” are to the lawful currency of the United States; and
- “**euro**” or “**€**” are to the currency introduced at the third stage of the European economic and monetary union pursuant to the Treaty Establishing the European Community, as amended.

Unless otherwise indicated, the financial information contained in this Base Prospectus has been expressed in riyal. The Group’s functional currency is the riyal and the Group prepares its financial statements in riyal.

The Qatari riyal currently is, and since the mid-1980s has been, pegged to the U.S. dollar at a fixed exchange rate of QR 3.64 per U.S.\$1.00. Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### **Third party data**

Statistical information relating to Qatar included in this Base Prospectus has been derived from official public sources, including the QCB, Qatar’s Ministry of Finance, the Ministry of Development Planning and Statistics of Qatar, the International Monetary Fund (the “**IMF**”), the U.S. Energy Information Administration, DTZ Qatar and the BP Statistical Review of World Energy June 2015. All such statistical information may differ from that stated in other sources for a variety of reasons, including the use of different definitions and cut-off times. This data may subsequently be revised as new data becomes available and any such revised data will not be circulated by the Group to investors who have purchased any Certificates.

Where information has not been independently sourced, it is the Group’s own information.

### **No incorporation of website information**

Ezdan’s website is [www.ezdanholding.qa](http://www.ezdanholding.qa). The information on this website or any other website mentioned in this Base Prospectus or any website directly or indirectly linked to these websites has not been verified and is not incorporated by reference into this Base Prospectus, and investors should not rely on it.

### **Definitions**

References in this Base Prospectus to:

- “**billion**” are to a thousand million;
- “**GCC**” are to the Gulf Co-operation Council, comprising Bahrain, the State of Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates;
- “**Government**” are to the Government of Qatar;
- “**MENA region**” are to the Middle East and North Africa region;
- “**QCB**” are to the Qatar Central Bank; and
- “**Qatar**” are to the State of Qatar.

## **Rounding**

Certain data in this Base Prospectus has been rounded to the nearest million riyal (or as otherwise stated), with QR 500,000 (or its equivalent) being rounded up. As a result of such rounding, the totals of data presented in tables in this Base Prospectus may vary slightly from the arithmetic totals of such data and all statements of increase, decrease and related percentages may vary slightly from the arithmetic calculations based upon the rounded numbers included in this Base Prospectus. Where the number “0” appears in a table, it means that the relevant number has been rounded to zero. Where the symbol “—” appears, it means that there is no number for the particular item.

## **SUPPLEMENTARY BASE PROSPECTUS**

If at any time the Trustee and the Obligor shall be required to prepare a supplementary base prospectus pursuant to Regulation 51 of Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland (S.I. No. 324 of 2005) (the “**Irish Prospectus Regulations**”), the Trustee and the Obligor will prepare and make available a supplement to this Base Prospectus which, in respect of any subsequent issue of Certificates to be listed on the Official List and admitted to trading on the Main Securities Market, shall constitute a supplementary base prospectus as required by Regulation 51 of the Irish Prospectus Regulations.

Each of the Trustee and the Obligor has given an undertaking to the Arrangers and the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Certificates and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of each of the Trustee and the Obligor, and the rights attaching to the Certificates, the Trustee and the Obligor shall prepare a supplement to this Base Prospectus or publish a replacement base prospectus for use in connection with any subsequent offering of the Certificates and shall supply to each Arranger and Dealer such number of copies of such supplement hereto as such Arranger or Dealer may reasonably request.

## **VOLCKER RULE**

The Trustee may be deemed to be a “covered fund” for purposes of Section 13 of the Bank Holding Company Act of 1956, as amended, and any implementing regulations and related guidance (the “**Volcker Rule**”). Further, the Certificates may constitute an “ownership interest” for purposes of the Volcker Rule. As a result, the Volcker Rule may, subject to certain exemptions, prohibit certain banking institutions from, directly or indirectly, acquiring or retaining the Certificates. This prohibition may adversely affect the liquidity and market price of the Certificates. In addition, any entity that is a “banking entity” under the Volcker Rule and is considering an investment in the Certificates should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally.

## **NOTICE TO RESIDENTS OF QATAR**

Any Certificates to be issued under the Programme will not be offered or sold at any time, directly or indirectly, in Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Prospectus has not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in Qatar. The Certificates are not and will not be traded on the Qatar Stock Exchange. The Certificates and interests therein will not be

offered to investors domiciled or resident in Qatar and do not constitute debt financing in Qatar under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of Qatar.

### **NOTICE TO RESIDENTS OF BAHRAIN**

In relation to investors in the Kingdom of Bahrain (“**Bahrain**”), Certificates issued in connection with this Base Prospectus and related offering documents may only be offered in registered form to existing account holders and accredited investors (each as defined by the Central Bank of Bahrain (“**CBB**”)) in Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or the equivalent amount in any other currency or such other amount as the CBB may determine.

This Base Prospectus does not constitute an offer of securities in Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Prospectus and the related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase, nor will this Base Prospectus or any related document or material be used in connection with any offer, sale or invitation to subscribe or purchase the Certificates, whether directly or indirectly, to persons in Bahrain, other than to accredited investors for an offer outside Bahrain.

The CBB has not reviewed, approved or registered this Base Prospectus or related offering documents and it has not in any way considered the merits of the Certificates to be offered for investment, whether in or outside of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus. No offer of Certificates will be made to the public in Bahrain and this Base Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

### **NOTICE TO RESIDENTS OF THE UNITED KINGDOM**

Any Certificates to be issued under the Programme which do not constitute “alternative finance investment bonds” (“**AFIBs**”) within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000 (the “**FSMA**”)) which has not been authorised, recognised or otherwise approved by the Financial Conduct Authority. Accordingly, this Base Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Base Prospectus, any Final Terms and any other marketing materials relating to the Certificates is being addressed to, or directed at: (A) if the Certificates are AFIBs and the distribution is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”), (ii) persons falling within any of the categories of persons described in Article 49 (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the “**Promotion of CISs Order**”), (ii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the

Promotion of CISs Order and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order.

Persons of any other description in the United Kingdom may not receive and should not act or rely on this Base Prospectus, any Final Terms or any other marketing materials in relation to the Certificates.

Potential investors in the United Kingdom in any Certificates which are not AFIBs are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in such Certificates and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme. Any individual intending to invest in any investment described in this Base Prospectus should consult his professional adviser and ensure that he fully understands all the risks associated with making such an investment and that he has sufficient financial resources to sustain any loss that may arise from such investment.

### **NOTICE TO RESIDENTS OF SAUDI ARABIA**

This Base Prospectus may not be distributed in Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of Saudi Arabia (the “**Capital Market Authority**”). The Capital Market Authority does not make any representations as to the accuracy or completeness of this Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. Prospective purchasers of the Certificates should conduct their own due diligence on the accuracy of the information relating to the Certificates. If a prospective purchaser does not understand the contents of this Base Prospectus he or she should consult an authorised financial adviser.

### **NOTICE TO RESIDENTS OF MALAYSIA**

Any Certificates to be issued under the Programme may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Certificates in Malaysia may be made, directly or indirectly, and this Base Prospectus or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within categories set out in Schedule 6 or Section 229(1)(b), Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia (“**CMSA**”) as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time.

The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee or the Obligor and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Base Prospectus.

### **NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS**

No invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for any Certificates issued under the Programme and this Base Prospectus shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for any Certificates issued under the Programme.

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## RISK FACTORS

*Each of the Trustee and the Obligor believes that the following factors may affect both the Trustee's ability to pay amounts owing under a Series of Certificates and the Obligor's ability to satisfy its obligations under the relevant Transaction Documents relating to any such Series of Certificates. All of these factors are contingencies which may or may not occur and neither the Trustee nor the Obligor is in a position to express a view on the likelihood of any such contingency occurring. However, should any of these factors occur, it would have the potential to materially adversely affect the Obligor's business, results of operations, financial condition and prospects and thereby affect its ability to perform its obligations in respect of the relevant Transaction Documents.*

*Factors which each of the Trustee and the Obligor believes may be material for the purpose of assessing the market risks associated with Certificates issued under the Programme are also described below.*

*Each of the Trustee and the Obligor believes that the factors described below represent the principal risks inherent in investing in Certificates issued under the Programme, but the Trustee may be unable to pay Periodic Distribution Amounts, Dissolution Distribution Amounts or other amounts on or in connection with any Certificates for other reasons and neither the Trustee nor the Obligor represents that the statements below regarding the risks of holding any Certificates are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. Words and expressions defined in "Structure Diagram and Cashflows", "Terms and Conditions of the Certificates" and "Summary of the Principal Transaction Documents" shall have the same meanings in this section.*

### **Factors that may affect the Trustee's ability to fulfil its obligations under or in connection with the Certificates issued under the Programme**

#### ***The Trustee has no operating history and no material assets and will depend on receipt of payments from the Obligor to make payments to Certificateholders***

The Trustee was incorporated under the laws of the Cayman Islands on 15 February 2016 as an exempted company with limited liability and has no operating history. The Trustee has not and will not engage in any business activity other than the issuance of Certificates under the Programme, the acquisition of the Trust Assets as described herein, acting in the capacity as Trustee, the issuance of shares in its capital and other activities incidental or related to the foregoing as required under the relevant Transaction Documents relating to each Series. Because the Trustee is a Cayman Islands company, it may not be possible for Certificateholders to effect service of process on it outside the Cayman Islands.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series of Certificates, including the obligation of the Obligor to make payments to the Trustee under the relevant Transaction Documents to which it is a party relating to each Series. Therefore, the Trustee is subject to all the risks to which the Obligor is subject to the extent that such risks could limit the Obligor's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents.

The ability of the Trustee to pay amounts due on the Certificates will therefore be dependent upon receipt by the Trustee from the Obligor of amounts to be paid pursuant to the Transaction Documents (which may not be sufficient to meet all claims under the Certificates and the Transaction Documents). See "*—Factors that may affect the Obligor's ability to fulfil its obligations under the Transaction Documents*".

## **Factors that may affect the Obligor's ability to fulfil its obligations under the Transaction Documents**

### ***The success of the Group's business is dependent on continued growth in Qatar's economy and is significantly affected by trends in Qatar's real estate market***

The Group's businesses are real estate development and management in Qatar and investing in equity securities of unlisted companies and companies listed on the Qatar Stock Exchange. The vast majority of the Group's assets and all of its real estate developments are currently located in Qatar and the Group plans to have the majority of its future developments and operations in Qatar. As a result, the Group's ability to continue to generate profits is dependent on, among other things, the continued growth of Qatar's economy and real estate market.

Qatar's economy is materially affected by international oil and natural gas prices, which have fluctuated widely over the past two decades. According to preliminary data in the Qatar Central Bank's Quarterly Statistical Bulletin for December 2016, the oil and gas sector contributed 52.5 per cent. and 38.6 per cent. to Qatar's total nominal gross domestic product ("GDP") for the years ended 31 December 2014 and 31 December 2015, respectively and between 28.7 to 31.2 per cent. in the first nine months of 2016. It also contributed 57.0 per cent. and 48.7 per cent. to the annual revenues of Qatar in the fiscal years ended 31 March 2014 and 31 March 2015 respectively.

The Organization of the Petroleum Exporting Countries ("OPEC") Reference Basket crude oil price averaged U.S.\$109 per barrel in 2012 and U.S.\$106 per barrel in 2013. However, since June 2014, when the monthly average OPEC Reference Basket price per barrel was U.S.\$108, crude oil prices have fallen by approximately 49 per cent. to a monthly average price of U.S.\$52.40 in January 2017. According to the IMF, this fall in prices will lead to a substantial deterioration in Qatar's fiscal position since the price of liquefied natural gas ("LNG") sold by Qatar is linked to the price of oil and more than 90 per cent. of its budget revenues and exports are tied to activities of the hydrocarbon sector. According to the World Bank's Global Economic Monitor, the nominal price of LNG was \$16 per mmbtu, \$10.4 per mmbtu, \$6.9 per mmbtu and \$7.5 mmbtu for 2014, 2015, 2016 and in January 2017, respectively.

International prices for crude oil have fluctuated substantially as a result of many factors, including global demand for oil and natural gas, changes in production levels, geopolitical uncertainty (particularly in the MENA region), changes in governmental regulations, weather, general economic conditions and competition from other energy sources. In addition, as crude oil prices provide a benchmark for gas and petrochemical feedstock prices, changes in crude oil prices may also have an impact on gas and petrochemical prices. International prices for natural gas have also fluctuated significantly in the past depending on global supply and demand and the availability and price of alternative energy sources.

In the past, Qatar has been able to partially offset lower hydrocarbon prices by increases in hydrocarbon production, but the future rate of growth in Qatar's hydrocarbon production is expected to slow. Most of Qatar's oilfields are mature and oil production may have peaked in 2011. Additionally, the reserves at Al Shaheen, one of Qatar's most productive oil fields, were reduced in 2011 after drilling results led to a reserves reassessment. Qatar is also approaching the end of a 20-year development cycle for LNG projects and LNG production is expected to plateau in the near future.

With a moratorium on the development of new gas projects in the North Field in place since 2005 (excluding the Barzan gas pipeline project which is targeted for local consumption), and given the long lead time to develop gas projects, Qatar may not be able to significantly increase gas production in the near future through new gas projects.



Any further deterioration in economic conditions in Qatar, whether or not due to a decrease in oil and gas prices, could cause a loss of investor confidence, a decrease in consumer purchasing power and unanticipated changes in Qatar's demographic mix which could materially adversely affect the demand for the Group's properties and the profitability and share prices of the companies in which the Group has invested.

In 2013 and 2014, the Group's investment returns benefitted from the strong performance of the Qatar Stock Exchange with the QE All Share index increasing from 8,358.94 at 31 December 2012 to 10,379.59 at 31 December 2013 and 12,285.78 at 31 December 2014. The QE All Share index has since declined significantly from a high of 12,692.91 in February 2015 to 10,436.76 at 31 December 2016.

There is no assurance that the Group will not be adversely affected in the future by negative economic or real estate market trends. These developments could result in any or all of the following outcomes:

- (i) reduced occupancy rates in the Group's residential, commercial, retail investment and hospitality properties which would reduce the Group's revenue and its ability to recover certain operating costs such as service charges;
- (ii) a reduction in the Group's ability to collect rent and service charge payments from tenants and other contractual payments on a timely basis or at all;
- (iii) lower rent levels and the terms on which lease renewals and new leases are agreed being less favourable, thereby reducing profitability;
- (iv) lower occupancy rates in the Group's hotels which may lead to reduced room rates and lower income from the hotels;
- (v) constraints on the Group's ability to obtain funding and/or a significant increase in its cost of funding;
- (vi) less profit being made by the Group's investees, reduced dividends being received and lower gains or losses on the revaluation of investments, which could lead to significant impairment charges;
- (vii) constraints on the Group's ability to obtain adequate construction management, maintenance or insurance services on commercial terms or at all; and
- (viii) negative changes in the fair value of the Group's investment properties which could lead to significant impairment charges.

***The success of the Group's investment strategy and its future profitability depends upon its ability to invest in companies that deliver significant positive returns***

Since 2012, the Group has commenced investing in shares of companies listed on the Qatar Stock Exchange. The Group has generated significant income from this investments business. For example, in 2014, the Group's net investment income amounted to QR 770 million and its net gain on AFS financial assets recorded in other comprehensive income amounted to QR 929 million. In 2015, the Group's net investment income amounted to QR 797 million and its net loss on AFS financial assets recorded in other comprehensive income amounted to QR 662 million. In 2016, the Group's net investment income amounted to QR 1,465 million and its net loss on AFS financial assets recorded in other comprehensive income amounted to QR 283 million.

Accordingly, the Group's liquidity and ability to service its financial obligations are to a significant extent dependent upon the performance and development of its investments business. The Group's net investment income and its net gain on AFS financial assets recorded in other comprehensive income are likely to be volatile in future periods, as they depend on the underlying performance of the companies in which the investments have been made, which will drive the share price, profitability and dividends declared by the investee companies. The performance of the Group's investments, which are all concentrated in Qatar, and the ability of the companies invested in to generate dividends and/or profits is subject to a range of risks, the most

important of which are described under “—*The success of the Group’s business is dependent on continued growth in Qatar’s economy and is significantly affected by trends in Qatar’s real estate market*” above.

***The Group’s business is dependent on large capital investments***

The Group aims to finance its real estate development projects and its investments in equity of new businesses through internally generated cash flows and third party financing. The Group also requires additional financing to support the future growth of its business and refinance its existing debt obligations. However, the Group may not have sufficient capital to make, or may be restricted by covenants in its financing agreements from meeting, future capital expenditures and other investments that it may deem necessary or desirable, see “—*The terms of the Group’s current and any future financings may restrict the Group from entering into certain transactions and/or limit its ability to respond to changing market conditions*” below.

No assurance can be given that the Group will be successful in raising funds from third parties on terms that are acceptable to it or at all. If the Group is unable at any time to raise financing on acceptable terms, it may not be able to pursue investment opportunities and its business may be adversely affected as a result. The Group’s ability to obtain external financing and the cost of such financing are dependent on numerous factors, including:

- (i) general economic and capital market conditions;
- (ii) interest rates;
- (iii) credit availability from banks or other lenders;
- (iv) investor confidence in the Group and its area of business focus; and
- (v) the success of the Group’s business.

There can be no assurance that additional financing, either on a short-term or long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to the Group and the Group may also be required to provide security over its assets to obtain any such financing. The inability of the Group to obtain additional financing on terms favourable to it or at all could have a material adverse effect on the Group’s business, results of operations, cash flows and financial condition.

***The terms of the Group’s current and any future financings may restrict the Group from entering into certain transactions and/or limit its ability to respond to changing market conditions***

The Group’s current financing arrangements contain various covenants that require it to maintain certain financial ratios, see “Financial review—Liquidity and capital resources—Borrowings”. Maintenance of these ratios could limit the Group’s ability to engage in specified types of transactions, including, among other things, its ability to incur or guarantee additional financial indebtedness. In addition, certain of the Group’s current financing arrangements contain cross default clauses whereby a default under one of the Group’s financing arrangements may constitute an event of default under another financing arrangement. These provisions of the Group’s current financing arrangements may restrict its ability to respond to adverse economic conditions and could therefore have a material adverse effect on the Group’s business, results of operations, cash flows and financial condition.

Furthermore, if the Group secures additional funding in the future, this would increase its leverage and could thereby limit its ability to raise further funding, limit its ability to react to changes in the economy or the real estate markets in which it operates and/or prevent it from meeting its debt obligations. Additionally, the securing of further funding could also, among other things:

- (i) increase the Group’s vulnerability to general economic and industry conditions;

- (ii) increase the risk that the Group may be unable to pay the interest, profit payments or principal on any outstanding obligations;
- (iii) require the Group to provide additional security over certain of its assets;
- (iv) require a substantial portion of cash flow from operations to be dedicated to the payment of financing costs and repayment of principal on the Group's indebtedness, thereby reducing the Group's ability to use its cash flow to fund its operations, capital expenditures and future business opportunities;
- (v) increase the risk that the Obligor's credit ratings may be downgraded or placed on credit watch, see "—Other generally applicable risks—A negative change in the Obligor's credit ratings could limit its ability to raise funding and may increase its borrowing costs" below;
- (vi) restrict the Group from making strategic acquisitions or cause it to make non-strategic divestitures;
- (vii) limit the Group's ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes; and
- (viii) limit the Group's ability to adjust to changing market conditions and place the Group at a competitive disadvantage compared to its competitors who are less highly leveraged.

Any of the foregoing consequences could have a material adverse effect on the Group's business, results of operations, cash flows and financial condition.

***A significant proportion of the Group's assets are mortgaged and the lenders whose financing is secured will have priority in respect of those secured assets in the event of any insolvency of the Group***

At 31 December 2016, the Group had total assets of QR 49,829 million. At the same date, investment properties and financial assets with a fair value of QR 45,473 million, equal to 91 per cent. of the Group's total assets, were secured in favour of certain of the Group's lenders. The Group's secured borrowings contain covenants which require the Obligor to ensure that at all times the value of the security exceeds the outstanding amount owed by a defined percentage and these covenants will require the Group to grant additional security should the value of its security fall. The Group's existing financing arrangements do not preclude the Group from raising additional secured debt. As a result, Certificateholders should be aware that the pool of assets available to them on any insolvency of the Group may be significantly smaller than the Group's total assets and may be insufficient to secure repayment in full of the Certificates.

***Any loss of senior management may adversely affect the Group***

The Group's senior management has been instrumental in defining and implementing its strategy and growing its business. The continued service of this management team is important to the Group's overall management as well as its culture and strategic direction. None of the members of the Group's senior management have fixed term contracts and accordingly any or all of them could leave at any time and could, upon leaving the Group, establish or join a competing business. The loss of one or more members of the Group's senior management could have a material adverse effect on the Group's business, results of operations and financial condition.

**Risks relating to the Group's Real Estate Business**

***Implementing new real estate development projects is inherently risky***

When undertaking a new real estate development project, the Group faces a number of risks, including:

- (i) requirements to make significant capital expenditures without receiving cash flow from the project concerned until future periods;
- (ii) possible shortage of available cash to fund construction and capital improvements and the related possibility that financing for such construction and capital improvements may not be available to the Group on suitable terms or at all;
- (iii) delays in obtaining, or a failure to obtain, all necessary governmental and regulatory permits, approvals and authorisations;
- (iv) uncertainties as to market demand or a decline in market demand for the property being constructed;
- (v) an inability to complete projects on schedule or within budgeted amounts;
- (vi) methodological errors or erroneous assumptions in the financial models used by the Group to make investment decisions; and
- (vii) an inability to obtain desirable property locations.

There can be no assurance that any or all of the Group's current or future real estate development projects will be completed in the anticipated timeframe or at all, whether as a result of the factors specified above or for any other reason, and inability to complete a project in the anticipated timeframe or at all could have an adverse effect on the Group's business, financial condition and results of operations.

***The Group's real estate development projects are exposed to a number of construction risks***

The Group's projects are exposed to a number of construction risks, including the following:

- (i) delays or refusals in obtaining all necessary building, occupancy and other required governmental permits, requisite licences, permits, approvals and authorisations;
- (ii) an inability to find a suitable contractor either at the commencement of a project or following a default by an appointed contractor or disputes with sub-contractors;
- (iii) default or failure by the Group's contractors to finish projects on time and within budget;
- (iv) disruption in service and access to third parties;
- (v) defective materials;
- (vi) shortages of materials, equipment and labour or labour disputes;
- (vii) adverse weather conditions and natural disasters, see "*—The Group's developments could be exposed to catastrophic events over which the Group has no control*" below;
- (viii) accidents, changes in governmental priorities and other unforeseen circumstances; and
- (ix) escalating costs of construction materials and global commodity prices.

Any of these factors could give rise to delays in the completion of construction and/or lead to cost overruns. Projects subject to any delays or cost overruns will take longer to generate revenue and cash flow than may originally have been anticipated and may not generate the revenue and cash flow which was originally expected. In addition, the target return on the investment in the project may not be realised. Moreover, continued growth through new real estate developments and initiatives may also divert management's capacity to manage existing developments. The occurrence of any of the above factors could have a material adverse effect on the Group's business, results of operations, cash flows and financial condition.

***The Group's operations may be subject to delays due to utility and road infrastructure providers' inability to provide services and connections to the Group's developments at the required levels and within the project delivery time***

Access to some of the Group's projects is dependent on the completion of connecting infrastructure, such as roads connecting a project with the city and the main regional road network and utilities for which third parties are responsible. There can be no assurance that material delays in delivering the Group's projects will not occur in the future as a result of delays in the connection of infrastructure. For example, in Qatar, the demand for electricity, water and gas substantially increased in the past and may continue to increase in the future if the infrastructure and population of Qatar continues to expand. As a result, the Group's current projects may be delayed and future projects may be hindered due to the inability of utility providers to provide the required levels of water and power generation and connections for these utilities in a timely manner. In addition, a breakdown in the Group's relationships with third party utility and road infrastructure providers could cause further delays. Any delays in the Group's projects, even when outside the Group's control, may adversely affect its brand and reputation which may materially adversely affect its business, results of operations, cash flows and financial condition.

***The Group is reliant on a related party contracting company and the loss of this contractor for any reason could materially increase the Group's costs of development***

A significant proportion of the Group's project construction work has been and is being undertaken by a related party, Sak Holding Group ("SAK"), which is wholly-owned by the Group's founder. SAK undertakes all of its construction work for the Group on more commercially favourable terms compared to external contractors.

As a result, the loss of the services of SAK for any reason in relation to one or more ongoing or proposed construction projects would require the Group to source alternative contractors. As a result, the Group would experience an increase in its development costs.

***The default by one of the Group's contractors or suppliers may adversely affect the construction of certain projects***

Should any of the Group's contractors or suppliers default on its arrangements with the Group, for any reason, including the bankruptcy or insolvency of such contractor or supplier, there is a risk that the Group will not be able to find a suitable replacement contractor or supplier promptly, on favourable terms or at all. Even if the Group were able to find a replacement contractor or a supplier in a timely fashion, it is likely that the cost to the Group would increase. Any new contractor or supplier may need time to familiarise itself with the ongoing project, causing a further delay in the completion of the project. There is no guarantee that any replacement contractor or supplier would be one that the Group has previously employed and thus there is a risk that such replacement contractor or supplier may not meet the Group's high standards for quality workmanship and product. If any of these events were to occur, it may have a material adverse effect on the Group's business, results of operations, cash flows and financial condition.

***If the Group's contractors' relationships with their employees were to deteriorate, the Group may be faced with labour shortages or stoppages which would adversely affect its ability to develop and/or operate its properties***

The Group's contractors' relations with their employees could deteriorate due to disputes related to, *inter alia*, the level of wages, accommodation or benefits or their response to changes in government regulation of workers and the workplace. The Group relies heavily on contractors providing a high quality service, and any labour shortage or stoppage caused by poor relations between a contractor and its employees could adversely affect the Group's ability to complete projects on time and within the allocated budget, thus damaging its

reputation. Such an occurrence may have a material adverse effect on the Group's business, results of operations, cash flows and financial condition.

***The Group's ability to generate desired returns on its investment properties will depend on its ability to manage those properties***

The Group's ability to achieve returns on its investment properties will be affected by its ability to generate demand for those properties on terms that are attractive to the Group. The Group's investment properties include a range of residential, commercial and retail establishments for which it seeks to attract tenants and hotels for which it seeks to attract guests.

Revenue earned from, and the value of, the investment properties held by the Group may be materially adversely affected by a number of factors, including:

- (i) in relation to its retail properties, an inability to fully let the properties or to achieve target rental returns;
- (ii) in relation to its hotels, an inability to achieve target occupancy rates and revenue per available room;
- (iii) the Group's inability to adequately manage its communities' maintenance services on commercial terms or at all;
- (iv) the Group's inability to collect rent and service charge payments from tenants and other contractual payments on a timely basis or at all;
- (v) tenants seeking the protection of bankruptcy laws which could result in delays in receipt of rental and other contractual payments or the termination of a tenant's lease, all of which could hinder or delay the re-letting of a property;
- (vi) the amount of rent and the terms on which lease renewals and new leases are agreed being less favourable than current leases;
- (vii) a competitive rental market, which may affect rental levels and/or occupancy levels at the Group's properties;
- (viii) the reputation of the Group; and
- (ix) changes in laws and governmental regulations in relation to real estate, including the possible implementation of laws setting a maximum rental rate (which has been discussed at governmental level in Qatar given the significant impact that rental rates have on the inflation rate in Qatar) and laws governing permitted and planned usage, taxes and government charges, which may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance.

The risk of many of the factors described above occurring is likely to increase at times when Qatar's economy experiences low or negative growth, see "*Risks relating to the Group—The success of the Group's business is dependent on continued growth in Qatar's economy and is significantly affected by trends in Qatar's real estate market down*" above. Any of these factors may have a material adverse effect on the Group's business, results of operations, cash flows and financial condition.

***The rental revenues from the Group's existing and future shopping malls depend upon its ability to find tenants, the ability of such tenants to fulfil their lease obligations and the duration of their rental contracts***

The Group currently owns and manages a single shopping mall and has two shopping malls which are due to be opened during 2017. There can be no guarantee that the Group will find or be able to retain suitable retailers to lease space in its shopping malls or an appropriate mix of tenants in its malls on the terms and

conditions it seeks. In addition, the financial stability of these tenants may change over time due to factors affecting such tenants directly, such as a down-grading of their credit rating, or to broader macroeconomic factors, and this may affect the financial performance of the Group's malls and the cash flows generated by them.

In addition, the laws of Qatar restrict the annual amount by which a landlord is legally able to increase rental charges on retail premises. The Group's lease term for anchor tenants typically varies from five to ten years and for other tenants from between one and three years. Therefore, although the market rents chargeable for its retail space may increase, the Group may be unable to fully realise any such increases from its existing tenants, which could adversely affect its profit margins, particularly if associated costs are rising at a faster rate than permissible and/or achievable rental rates.

Although the Group can adjust rents to prevailing market rates if its anchor or other tenants decide not to renew their leases upon expiration, it may need to expend significant time and money attracting replacement tenants and there is no guarantee that potential new tenants could be sourced or that such tenants would accept the then market rates. In addition, in connection with any lease renewal or re-letting, the Group may incur costs to renovate or remodel the relevant rental space. Any of the foregoing factors would reduce the Group's cash flow and could have a material adverse effect on its business, prospects, results of operations and financial condition.

***The Group's shopping malls depend on anchor stores or major tenants to attract shoppers and could be adversely affected by the loss of, or a store closure by, one or more of these tenants***

Shopping malls are typically anchored by department stores and other large nationally recognised tenants. The Group's anchor tenants and major tenants are owned by a very limited number of large retail groups. The value of any of the Group's shopping malls could be adversely affected if these tenants fail to comply with their contractual obligations, seek concessions in order to continue operations, or cease their operations, and any decision by the Group to change a particular tenant would have to be considered, where appropriate, in light of the Group's general client relationship with the retail group that owns the tenant in question. Lease modifications could be unfavourable to the Group as the lessor and could decrease rents or service charges. In addition, major tenant closures may result in decreased customer traffic, which could lead to decreased sales at other stores. If the sales of stores operating in the Group's shopping malls were to decline significantly due to closing of anchor tenants, economic conditions or other reasons, tenants may be unable to pay their minimum rents or service charges. In the event of default by a tenant or anchor store, the Group may experience delays and costs in enforcing its rights as landlord to recover amounts due to it under the terms of its agreements with those parties, which may have a material adverse effect on the Group's business, prospects, results of operations and financial condition.

***The Group's developments could be exposed to catastrophic events over which the Group has no control***

The Group's business operations and construction projects could be adversely affected or disrupted by natural disasters (such as earthquakes, floods, tsunamis, hurricanes, volcanoes, fires or typhoons) or other catastrophic events, including, but not limited to:

- (i) changes to predominant natural weather, hydrologic and climatic patterns, including sea levels;
- (ii) major accidents, including chemical and radioactive or other material environmental contamination; and
- (iii) major epidemics affecting the health of persons in the region and travel into the region.

The occurrence of any of these events at one or more of the Group's existing developments or construction projects or in any general location where the Group has significant operations could cause disruptions to the Group's operations in part or in whole. In addition, such an occurrence may increase the costs associated with the Group's development and construction projects, may subject the Group to liability or impact its brand and reputation and may otherwise hinder the normal operation of the Group's facilities, which could have a material adverse effect on its business, results of operations, cash flows and financial condition. The effect of any of these events on the Group's financial condition and results of operations may be worsened to the extent that any such event involves risks for which the Group is uninsured or not fully insured, see "—The Group may not have adequate insurance" below).

***The Group may be liable for certain maintenance costs for its investment properties***

The Group bears the risk of repairing fair wear and tear to its investment properties, together with paying for the cost of its maintenance. As a result, the Group must use its own resources to carry out such work which may necessitate significant capital expenditure. Failure to carry out such work could affect the Group's reputation and the value and marketability of its investment properties. The occurrence of any of these factors could have a material adverse effect on the Group's business, results of operations, cash flows and financial condition.

***Real estate valuation is inherently subjective and uncertain***

Property assets are inherently difficult to value. The judgement of the Group's management as well as the independent appraisers who perform valuations on its behalf significantly impact the determination of the fair value of the Group's investment properties. As a result, valuations, are subject to substantial uncertainty and are made on the basis of assumptions which may not be correct. In addition, a key component of determining the fair value of an investment property is based on the assessment by management or the independent valuer of real estate market conditions in the city or country where the project is located. The real estate market is in turn affected by many factors such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond the Group's control and may adversely impact properties after their most recent valuation date. As a result, any material decline in the real estate markets where the Group operates could have a material adverse effect on its business, results of operations, cash flows and financial condition.

***Real estate investments are illiquid***

Because real estate investments in general are relatively illiquid, the Group's ability to promptly sell one or more of its properties in response to changing political, economic, financial and investment conditions is limited. The real estate market is affected by many factors that are beyond the Group's control, see "—Real estate valuation is inherently subjective and uncertain" above. The Group's management cannot be certain that it will be able to sell any property for the price or on the terms set by it, or whether any price or other terms offered by a prospective purchaser would be acceptable to it. The Group's management also cannot predict the length of time needed to find a willing purchaser for its properties and to effect the sale of any property. In addition, to the extent the Group requires third party funding, a requirement of any such funding could include the Group granting a mortgage over certain property to secure its payment obligations, which could preclude the Group from selling such property. There can be no assurance that the sale of any of the Group's investment properties will be at a price which reflects the most recent valuation of the relevant property, particularly if the Group was forced to sell properties prior to completion of the relevant development or in adverse economic conditions. Any of these factors, alone or in combination, could have a material adverse effect on the Group's investment property portfolio which could in turn have a material adverse effect on its business, results of operations, cash flows and financial condition.



### ***The Group faces competition in its property development, malls and hospitality businesses***

The Group faces competition for the development and leasing of properties from other property developers in Qatar and internationally. Such competition may affect the Group's ability to attract and retain tenants, resulting in lower than expected rents. The Group's competitors may lower their rental rates for properties which are comparable to those being leased by the Group, which may result in downward pressure on the Group's rental rates. In addition, the Government of Qatar could decide to support new entrants or other property development companies to implement its development strategy, which would further increase competition.

The Group also faces competition in respect of its shopping mall and hospitality businesses. There are a number of large malls in Doha which compete with the Group's existing mall for both tenants and customers. Such competition may affect the Group's ability to attract and retain tenants, resulting in lower than expected rents. The Group's competitors may also lower their rental rates for retail space within their malls which is comparable to that being offered by the Group, which may result in downward pressure on the Group's rental rates. There are also a number of hospitality venues in Doha that are comparable to the Group's two existing hotels which may affect the ability of the Group to attract guests and lead to downward pressure on the room rates that the Group is able to charge. If such competition has the effects described, it may have a material adverse effect on the Group's business, results of operations, cash flows and financial condition.

### ***The Group's real estate business exposes it to health and safety risks***

Due to the people-based nature of its business, the Group's operations are subject to health and safety risks, particularly in relation to its shopping malls and hospitality businesses. For example, there can be no assurance that a major health and safety hazard, such as a fire, will not occur. Given the high number of shoppers that visit the Group's current shopping mall on a daily basis, such an event could have serious consequences, particularly in the event of fatalities. Similarly, although the Group's hotels comply with currently applicable health and safety standards, there can be no assurance that the customers of these hotels will not engage in inappropriate behaviour, endangering their safety and the safety of others. Any of the foregoing incidents could expose the Group to material liability and adversely affect its reputation. All of these factors could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

### ***Qatar is characterised by a lack of real estate transparency***

According to a real estate transparency survey conducted by Jones Lang LaSalle in 2014, many real estate markets in the GCC, including Qatar, are categorised as semi-transparent. The degree of transparency of a real estate market is determined by reference to a number of factors, including comparable transactions, accessibility of information relating to counterparties and land title, reliability of market data, clarity of regulations relating to all matters of real estate conveyance and access to government agencies to verify information provided by counterparties in connection with real estate transactions. Although the Group endeavours to undertake comprehensive due diligence with respect to its real estate investments in order to mitigate any risks, there can be no assurance that the factors described above will not result in its discovery at a later date of information or liabilities in association with its investments that could affect their value, expected purpose or returns on investment, which could in turn have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

## **Risks relating to the Group's Investment Business**

### ***The Group incurs significant risks in implementing new investment decisions***

Investment by the Group in the equity of new businesses involves a number of significant risks including:

- (i) **limited capital resources:** an acquired business may have limited financial resources and may be unable to meet its financial obligations;
- (ii) **limited operating history:** an acquired business may have a limited operating history, narrower product lines and smaller market shares than more established businesses, which could render the business more vulnerable to competitors' actions and market conditions, as well as to general economic downturns;
- (iii) **limited information:** generally, limited public information exists about the businesses in which the Group invests and the Group must rely on the ability of its senior management to obtain adequate information to evaluate the potential returns from the proposed investment. Any failure to obtain all material information could result in the investment underperforming or being loss making, see also “— The due diligence process that the Group undertakes in connection with new investments may not reveal all relevant facts” below;
- (iv) **dependence on senior management:** certain businesses in which the Group invests may depend on a small management group and the loss of any one of these could significantly adversely impact the business;
- (v) **other risks:** these include the risk that the businesses in which the Group invests may not have predictable operating results, may experience or be parties to litigation and may require significant new capital to support their operations, finance their expansion or maintain their competitive position.

As a result of the above factors, investments made by the Group may not perform as expected and this could have a material adverse effect on the Group's returns from the investments concerned and could result in significant impairments being made.

***The due diligence process that the Group undertakes in connection with new investments may not reveal all relevant facts***

Before making a new investment, the Group conducts due diligence to the extent it deems reasonable and appropriate based on the applicable facts and circumstances. The objective of the due diligence process is to identify attractive investment opportunities and to prepare a framework that may be used from the date of investment to drive operational performance and value creation. When conducting due diligence, the Group evaluates a number of important business, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with an investment. Outside consultants, including legal advisers, accounting firms, investment banks and industry experts, may be involved in the due diligence process in varying degrees depending on the investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, the Group can only rely on resources available to it, including information provided by the target of the investment where relevant and, in some circumstances, third party investigations. In some cases, information cannot be verified by reference to the underlying sources to the same extent as the Group could for information produced from its own internal sources. The due diligence process may at times be subjective and the Group can offer no assurance that any due diligence investigation it carries out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such opportunity.

Any failure by the Group to identify relevant facts through the due diligence process may cause it to make inappropriate business decisions, which could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group may lose the ability to significantly influence one or more of its equity accounted investees***

The Group's investment strategy in relation to its equity accounted investees assumes that it will retain significant influence over, but not control of, the operations of the investees. The Group generally seeks to hold an investment of between 20 and 50 per cent. in those companies with the precise size of the investment being determined on a case by case basis. It is possible therefore that should certain events occur, including unsolicited bids by third parties, the Group may lose its ability to significantly influence the strategy and business development of one or more investees and this could have a material adverse effect on the Group's returns from the investments concerned and could result in significant impairments being made.

***The Group invests in companies that the Group does not control and this could expose the Group to additional risks***

The Group currently invests in, and expects to make additional investments in, companies that it does not control. The Group also currently holds significant minority investments in public companies and may in the future also dispose of larger investments over time in a manner that results in it retaining only a minority interest.

Investments in which the Group only has a minority interest will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Group does not agree or that the majority shareholders or the management of the company may take risks or otherwise act in a manner that does not serve the Group's interests. The Group's equity investments in such companies may also be diluted if it does not partake in future equity or equity-linked fundraising opportunities.

If any of the foregoing were to occur, the Group's business, financial condition and results of operations could be adversely affected.

***The value of the Group's AFS financial assets may be affected by factors beyond the Group's control***

The Group currently holds certain investments in public companies which are treated in its financial statements as AFS financial assets and accordingly are held at fair value on its balance sheet and revalued on each balance sheet date. As at 31 December 2016, 13.2 per cent. of the Group's total assets were AFS financial assets. The value of the Group's AFS financial assets may be volatile and is likely to fluctuate due to a number of factors beyond the Group's control, including:

- (i) actual or anticipated fluctuations in the interim and annual results of the relevant companies and other companies in the industries in which they operate;
- (ii) market perceptions concerning the availability of additional securities for sale;
- (iii) general economic, social or political developments;
- (iv) changes in industry conditions;
- (v) changes in government regulation;
- (vi) shortfalls in operating results from levels forecast by securities analysts;
- (vii) the general state of the securities markets; and
- (viii) other material events, such as significant management changes, refinancings, acquisitions and dispositions.

The Group's AFS financial assets are all equity securities in publicly traded companies and the Group expects to continue to invest in publicly traded securities. Because these investments typically represent substantial holdings in such publicly traded companies, it may be difficult for the Group to liquidate its position without

materially adversely affecting the trading price of the relevant securities. Accordingly, the value the Group could obtain on a sale of its publicly traded securities could be substantially less than the value at which they were previously recorded. As a result, if the Group were to be required to liquidate all or a portion of these investments quickly, it could realise a significant loss on the value of its investment.

Any of the foregoing could have a material adverse effect on the Group's business, financial condition and results of operations.

#### **Other Generally Applicable Risks**

##### ***The interests of the Group's controlling shareholder may, in certain circumstances, be different from the interests of the Certificateholders***

The Group's founder and controlling shareholder is H.E. Sheikh Thani Bin Abdullah Bin Thani Al-Thani who, together with companies controlled by him, beneficially owns more than 70 per cent. of the shares in Ezdan. Although the Group's founder is not involved in the day to day management of the Group, he is, through the significant shareholding controlled by him, in a position to control the outcome of actions requiring shareholders' approval and also has the ability to approve the election of all the members of the board of directors (the "Board") of Ezdan and thus influence Board decisions. The interests of the Group's founder may be different from those of the Group's creditors (including the Certificateholders).

##### ***Any failure of the Group's information technology systems, or other internal control failures, could have a material adverse effect on its business and reputation***

The Group depends on its information technology systems to process transactions on an accurate and timely basis, and to store and process substantially all of the Group's business and operating data. The proper functioning of the Group's financial control, risk management, accounting, customer service and other information technology systems, as well as the communication networks between its locations and data processing centres, are critical to the Group's business and ability to compete effectively. The Group's business activities would be materially disrupted if there is a partial or complete failure of any of these information technology systems or communications networks. Such failures can be caused by a variety of factors, many of which are wholly or partially outside the Group's control including natural disasters, extended power outages and computer viruses or other malicious intrusions. The proper functioning of the Group's information technology systems also depends on accurate and reliable data and other system input, which are subject to human errors. Any failure or delay in recording or processing the Group's transaction data could subject it to claims for losses. The Group has implemented and tested business continuity plans and processes as well as disaster recovery procedures, but there can be no assurance that these safeguards will be fully effective and any failure may have a material adverse effect on the Group's business and reputation.

The Group also faces the risk of losses resulting from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements, systems and equipment failures, natural disasters or the failure of external systems (for example, those of the Group's counterparties or vendors). The Group has implemented risk controls and loss mitigation strategies, and substantial resources are devoted to developing efficient procedures and to staff training, but it is not possible to eliminate entirely each of the potential operational risks the Group faces. Losses from any failure in the Group's system of internal controls could have a material adverse effect on its business, financial condition, results of operations and prospects and could materially adversely affect its reputation.

##### ***The Group may not have adequate insurance***

Management believes that the Group's insurance coverage for all material aspects of its operations is comparable to that of other companies operating in the sectors and markets in which the Group operates. The

Group's operations may, however, be affected by a number of risks for which full insurance cover is either not available or not available on commercially reasonable terms. In addition, the severity and frequency of various other events, such as accidents and other mishaps, business interruptions or potential damage to its facilities, property and equipment caused by inclement weather, human error, pollution, labour disputes, natural catastrophes and other eventualities, may result in losses or expose the Group to liabilities in excess of its insurance coverage or significantly impair its reputation. There is no assurance that the Group's insurance coverage will be sufficient to cover the loss arising from any or all such events or that it will be able to renew existing insurance cover on commercially reasonable terms, if at all.

Should an incident occur for which the Group has no, or insufficient, insurance cover, the Group could lose all or part of the capital invested in, and anticipated future revenues relating to, any property that is damaged or destroyed. Any of these occurrences could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***The regulatory framework governing the Qatar real estate market is not yet fully developed***

The regulatory framework governing the Qatar real estate market is not yet fully developed. The Group cannot predict the contents of any future legislation that is imposed or implemented in Qatar. While many of the real estate laws and regulations implemented and to be implemented in the future in Qatar are intended to improve the real estate market, the effects of the implementation of such laws may be uncertain and there can be no assurance that such laws and regulations will not impose more onerous obligations on the Group or have a material adverse effect on the Group's business, results of operations, cash flows and financial condition. By way of an example, the Qatar government has increasingly begun to apply more stringent hygiene and hospitality policies and to fine restaurants and hotels for breaches of these policies.

***A recurrence of rising inflation, or deflation, may adversely affect the Group's profitability***

High inflation could slow the rate of economic growth and consumer spending in Qatar. A deflationary environment in Qatar could also adversely affect the Group's profitability by adversely affecting property values. High rates of inflation or deflation thus could have a material adverse effect on the Group's business. Although the Government and the Qatar Central Bank have announced their intention to continue to take measures to ensure that inflation is stabilised, there can be no assurance that the Government and the Qatar Central Bank will be able to achieve or maintain price stability, in the real estate market or otherwise and thus control inflation.

***A negative change in Ezdan's credit ratings could limit its ability to raise funding and may increase its borrowing costs***

Ezdan currently has long-term ratings of BBB- with a stable outlook from S&P and Ba1 with a stable outlook from Moody's. These ratings, which are intended to measure Ezdan's ability to meet its debt obligations as they mature, are an important factor in determining Ezdan's cost of borrowing funds.

Economic downturn or declining rental levels are factors identified in the rating report issued by S&P dated April 2016 as having the potential to negatively affect the rating, to the extent that they adversely impact the Group's interest cover ratio and could lead to a substantial deterioration in the value of the Group's available for sale equity investments.

A downgrade of Ezdan's credit ratings, or a negative change in outlook, may limit its ability to raise funding and increase its cost of borrowing, which could adversely affect its business, financial condition, results of operations and prospects. In addition, actual or anticipated changes in the Obligor's credit ratings may affect the market value of any Certificates issued under the Programme.

In addition, the credit ratings assigned to Ezdan may not reflect the potential impact of all risks related to an investment in the Certificates, the market or any additional factors discussed in this document, and other

factors may affect the value of the Certificates. A securities rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time by the assigning rating organisation and each rating should be evaluated independently of any other rating.

***From time to time, the Group may be a defendant in various legal proceedings***

The Group may, from time to time, be a defendant in legal proceedings in connection with and stemming from its business activities. The Group is not able to predict the ultimate outcome of any of the claims currently pending against it or future claims or investigations that may be brought against it, which may be in excess of its existing reserves. Adverse outcomes in existing or future proceedings, claims or investigations could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

**Factors which are material for the purpose of assessing the market risks associated with Certificates issued under the Programme**

***The Certificates are limited recourse obligations of the Trustee***

The Certificates are not debt obligations of the Trustee. Instead, each Certificate represents an undivided ownership interest in the Trust Assets relating to that Series. Recourse to the Trustee is limited to the Trust Assets of the relevant Series and the proceeds of the Trust Assets of the relevant Series are the sole source of payments on the Certificates of that Series. Upon the occurrence of a Dissolution Event the sole rights of the Trustee and/or the Delegate (acting on behalf of the Certificateholders of the relevant Series of Certificates) will be against the Obligor to perform its obligations under the Transaction Documents to which it is a party.

Certificateholders will otherwise have no recourse to any assets of the Trustee (other than the Trust Assets), the Delegate or, to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party, the Obligor in respect of any shortfall in the expected amounts due on the Certificates. The Obligor is obliged to make certain payments under the Transaction Documents directly to the Trustee, and the Trustee and/or the Delegate will have direct recourse against the Obligor to recover such payments due to the Trustee pursuant to the Transaction Documents.

After enforcing or realising the rights in respect of the Trust Assets in respect of a Series of Certificates and distributing the net proceeds of such Trust Assets in accordance with Condition 5(b), the obligations of the Trustee in respect of that Series of Certificates shall be satisfied and none of the Trustee, the Delegate or any Certificateholder may take any further steps against the Trustee (or any steps against the Delegate) or the Obligor to recover any further sums in respect of the Certificates of the relevant Series and the right to receive from the Trustee any such sums unpaid shall be extinguished.

Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets other than as contemplated in the Transaction Documents. The sole right of the Trustee, the Delegate and the Certificateholders against the Obligor shall be to enforce the performance of the Obligor's obligations under the Transaction Documents.

**Risks related to the structure of a particular issue of Certificates**

A wide range of Certificates may be issued under the Programme. A number of these Certificates may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

***The Certificates may be subject to early redemption***

If the Optional Dissolution Right is specified as being applicable in the applicable Final Terms, a Series may be redeemed early at the option of the Obligor pursuant to Condition 8(c). In addition, if the Trustee becomes obliged to pay any additional amounts in respect of the Certificates of any Series, or the Obligor is required to

pay additional amounts pursuant to the Transaction Documents, as provided or referred to in Condition 8(b) as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or Qatar, as the case may be, or in each case in any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the relevant Issue Date, the Obligor may require the Trustee to redeem all but not some only of the outstanding Certificates of such Series in accordance with Condition 8 of the Certificates. In addition, if so provided in the applicable Final Terms, a Series may also be redeemed early at the option of the Obligor pursuant to Condition 8(f). Early redemption in any such instance may reduce the return that a Certificateholder would have realised had the Certificates been redeemed at maturity. Any such redemption feature of any Certificate is likely to limit its market value. The Obligor may be expected to redeem Certificates when its cost of borrowing is lower than the profit rate (including such additional amounts as provided or referred to in Condition 8(b)) on the Certificates. At those times, an investor generally would not be able to reinvest the redemption proceeds in a comparable security with a similar rate of return and may only be able to do so at a significantly lower rate, which may have an adverse effect on the position of such investor. During any period when the Obligor may elect or be expected to redeem the Certificates, the market value of the Certificates generally will not rise substantially above the Dissolution Distribution Amount payable. Potential investors should consider reinvestment risk in light of other investments available at that time.

***No third-party guarantees***

Investors should be aware that no guarantee is or will be given in relation to the Certificates by the shareholders of the Obligor or any other person.

***Investors must make their own determination as to Shariah compliance***

The Executive Shariah Committee of HSBC Saudi Arabia Limited and the Shari'ah Supervisory Board of Mashreq Al Islami of Mashreqbank P.S.C. have each confirmed that the Certificates and the Transaction Documents are, in their view, in compliance with Shariah principles. However, there can be no assurance that the Transaction Documents or any issue and trading of Certificates will be deemed to be Shariah compliant by any other Shariah board or Shariah scholars. None of the Trustee, the Obligor, the Delegate, the Arrangers or the Dealers makes any representation as to the Shariah compliance of any Series and potential investors are reminded that, as with any Shariah views, differences in opinion are possible. Potential investors should obtain their own independent Shariah advice as to whether the Transaction Documents and any issue of Certificates will meet their individual standards of compliance and should also make their own determination as to the future tradeability of the Certificates on any secondary market. Questions as to the Shariah permissibility of the Transaction Documents or the issue and the trading of the Certificates may limit the liquidity and adversely affect the market value of the Certificates.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties under the Transaction Documents would be, if in dispute, either the subject of arbitration under English law or court proceedings under the laws of England and Wales or Qatar, as the case may be (for the purposes of enforcement of any arbitral award against the Obligor). In such circumstances, the arbitrator or judge (as applicable) will first apply the governing law of the relevant Transaction Document in determining the obligations of the parties.

***There can be no assurance as to the impact of a change in the laws governing the Certificates or the Transaction Documents***

The structure of each issue of Certificates under the Programme including the Terms and Conditions of the Certificates (the “**Conditions**”) and certain Transaction Documents are based on English law and administrative practices in effect as at the date of this Base Prospectus. Certain Transaction Documents are

governed by the laws of Qatar. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England and Wales or administrative practices in England and Wales or changes to the laws of Qatar after the date of this Base Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Obligor to make payments under the Transaction Documents to which it is a party and/or the Trustee to make payments under any Series of Certificates or the ability of the Trustee or the Obligor to otherwise comply with their respective obligations under the Transaction Documents to which they are a party.

### **Risks related to Certificates generally**

Set out below is a brief description of certain risks relating to the Certificates generally:

#### ***Certificates are subject to modification by a majority of the Certificateholders of a Series without the consent of all of the Certificateholders***

The Master Declaration of Trust contains provisions for calling meetings of the Certificateholders of one or more Series to consider matters affecting their interests generally and to obtain Written Resolutions (as defined therein) on matters relating to the Certificates from holders without calling a meeting. A Written Resolution signed by or on behalf of the holders of not less than 75 per cent. in face amount of the Certificates of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Agency Agreement and whose Certificates are outstanding shall, for all purposes, take effect as an Extraordinary Resolution (as defined in the Master Declaration of Trust). These provisions permit defined majorities to bind all of the Certificateholders of the relevant Series (including Certificateholders who did not attend or vote at the relevant meeting as well as Certificateholders who voted in a manner contrary to the majority).

In certain circumstances, where the Certificates are held in global form in the clearing systems, the Trustee, the Obligor and the Delegate (as the case may be) will be entitled to rely upon:

- (i) where the terms of the resolution proposed by the Trustee, the Obligor or the Delegate (as the case may be) have been notified to the Certificateholders through the relevant clearing system(s), approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in face amount of the Certificates outstanding (“**Electronic Consent**”); and
- (ii) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed: consent or instructions given in writing directly to the Trustee, the Obligor and/or the Delegate (as the case may be) (a) by accountholders in the clearing system with entitlements to such Global Certificate; and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purposes of establishing the entitlement to give any such consent or instruction, the Trustee, the Obligor and the Delegate shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant clearing system (the “**relevant clearing system**”) and in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above.

Any resolution passed in such manner shall be binding on all Certificateholders, even if the relevant consent or instruction proves to be defective.

A Written Resolution or an Electronic Consent as described above may be effected in connection with any matter affecting the interests of Certificateholders, including the modification of the Conditions, that would



otherwise be required to be passed at a meeting of Certificateholders satisfying the special quorum in accordance with the provisions of the Master Declaration of Trust, and shall take effect as an Extraordinary Resolution (as defined in the Master Declaration of Trust). A Written Resolution and/or Electronic Consent will be binding on all Certificateholders, whether or not they participated in such Written Resolution and/or Electronic Consent.

The Master Declaration of Trust also provides that the Delegate may, without the consent or sanction of Certificateholders, (i) agree to any modification of any of the provisions of the Master Declaration of Trust or the Transaction Documents that, in the opinion of the Delegate, (a) is of a formal, minor or technical nature or is required to comply with mandatory provisions of law; or (b) is made to correct a manifest error; or (c) is not materially prejudicial to the interests of the holders of the Certificates then outstanding provided that such modification is other than in respect of a matter which requires a special quorum resolution (as defined in the Master Declaration of Trust) and is not in contravention of any express direction by Extraordinary Resolution or a request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of the Certificates of the relevant Series; (ii) (a) subject to the detailed provisions of the Master Declaration of Trust, agree to any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Master Declaration of Trust or the Transaction Documents or (b) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such provided that such waiver, authorisation or determination is in the opinion of the Delegate not materially prejudicial to the interests of the holders of the Certificates then outstanding and not in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of the relevant Series. Any such modification, authorisation, determination or waiver shall be binding on the Certificateholders and such modification shall be notified by the Trustee to the Certificateholders as soon as practicable thereafter.

***The Certificates may be deemed to be ownership interests for the purposes of the Volcker Rule***

The Trustee may be deemed to be a “covered fund” for purposes of the Volcker Rule. Further, the Certificates may constitute an “ownership interest” for purposes of the Volcker Rule. As a result, the Volcker Rule may, subject to certain exemptions, prohibit certain banking institutions from, directly or indirectly, acquiring or retaining the Certificates. This prohibition may adversely affect the liquidity and market price of the Certificates. In addition, any entity that is a “banking entity” under the Volcker Rule and is considering an investment in the Certificates should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally.

***European Monetary Union may cause certain Certificates to be re-denominated***

If Certificates are issued under the Programme which are denominated in the currency of a country which, at the time of issue, is not a member of the European Monetary Union which has adopted the euro as its sole currency and, before the relevant Certificates are redeemed, the euro becomes the sole currency of that country, a number of consequences may follow. In that event (i) all amounts payable in respect of such Certificates may become payable in euro; (ii) the law may allow or require such Certificates to be re-denominated into euro and additional measures to be taken in respect of such Certificates; and (iii) there may no longer be available published or displayed rates for deposits used to determine the rates of interest on such Certificates or changes in the way those rates are calculated, quoted and published or displayed. The introduction of the euro could also be accompanied by a volatile interest rate environment, which could adversely affect investors in the Certificates.

***Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade***

In relation to any Certificates of a Series which have a denomination consisting of the minimum Specified Denomination (as defined in the Conditions) plus a higher integral multiple of another smaller amount, it is

possible that the Certificates may be traded in amounts in excess of such minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a Certificateholder who, as a result of trading such amounts, holds a face amount of less than the minimum Specified Denomination, would need to purchase an additional amount of Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

A Certificateholder who holds an amount which is less than the minimum Specified Denomination in his/her account with the relevant clearing system at the relevant time may not receive a definitive Certificate in respect of such holding (should definitive Certificates be printed) and would need to purchase a face amount of Certificates such that its holding amounts to at least a Specified Denomination in order to be eligible to receive a definitive Certificate. If definitive Certificates are issued, holders should be aware that definitive Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may also be illiquid and difficult to trade.

***Investors in the Certificates must rely on Euroclear and Clearstream, Luxembourg procedures***

Certificates issued under the Programme will be represented on issue by a Global Certificate that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the limited circumstances described in each Global Certificate, investors will not be entitled to receive Certificates in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Certificate held through it. While the Certificates are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Certificates are represented by a Global Certificate, the Trustee will discharge its payment obligations under the Certificates by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants in relation to payments under the Certificates. The Trustee has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Certificate.

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Certificates so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

**Risks related to the market generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

***The secondary market generally***

Certificates may have no established trading market when issued, and one may never develop or, if it does develop, it may not provide the Certificateholders with sufficient liquidity of investment and such established trading market may not continue for the life of such Certificates. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Certificates easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Certificates that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Certificates generally would have a more limited secondary market and more price volatility than conventional debt securities. The market value of the Certificates may

fluctuate and illiquidity may, in particular, have a material adverse effect on the market value of the Certificates.

Accordingly, the purchase of the Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the Certificates and the financial and other risks associated with an investment in the Certificates. An investor in the Certificates must be prepared to hold the Certificates for an indefinite period of time or until their maturity. Whilst an application has been made for the listing of certain Series of Certificates to be issued under the Programme on the Irish Stock Exchange, there can be no assurance that any such listing will occur or enhance the liquidity of the Certificates.

#### ***Exchange rate risks and exchange controls***

Neither the Trustee nor the Obligor has any control over factors that generally affect exchange rate risks, such as economic, financial and political events, and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future.

The Trustee will pay all amounts due on any Certificates, and the Obligor will make any payments pursuant to the Transaction Documents, in the Specified Currency (as defined in the Conditions). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Certificates; (ii) the Investor's Currency equivalent value of the Dissolution Distribution Amount payable on the Certificates; and (iii) the Investor's Currency equivalent market value of the Certificates.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less than expected, or no payment at all. Even if there are no actual exchange controls imposed, it is possible that the Specified Currency for any particular Certificate may not be available at such Certificate's maturity.

#### ***Interest rate risks***

Investments in Fixed Rate Certificates involve the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Certificates. A drop in the level of interest rates will have a positive impact on the price of the Fixed Rate Certificates, as such Certificates pay a fixed annual rate of interest. Conversely, an increase in the interest rate level will have an adverse impact on the price of the Fixed Rate Certificates. For investors holding the Fixed Rate Certificates until maturity, any changes in the interest rate level during the term will not affect the yield of the Fixed Rate Certificates, as the Fixed Rate Certificates will be redeemed at par.

Certificates with variable profit rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

#### ***Credit ratings assigned to any Certificates may not reflect all the risks associated with an investment in those Certificates***

One or more independent credit rating agencies may assign credit ratings to an issue of Certificates. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Certificates.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Certificates are legal investments for it; (ii) Certificates can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Certificates. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules.

***Investing in securities involving emerging markets generally involves a higher degree of risk, and the Certificates may not be a suitable investment for all investors***

Investing in securities involving emerging markets, such as Qatar, generally involves a higher degree of risk than investments in securities of issues from more developed countries. These higher risks include, but are not limited to, higher volatility, limited liquidity and changes in the legal, economic and political environment.

Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved. A potential investor should not invest in the Certificates unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of the Certificates and the impact this investment will have on the potential investor’s overall investment portfolio.

**Risks relating to the Trust Assets**

***Murabaha Contracts risk***

*Taxation risk*

Pursuant to the terms of the Master Murabaha Agreement, in connection with each Series of Certificates outstanding from time to time under the Programme, the Trustee (as Seller) shall enter into a Commodity Murabaha Investment with the Obligor (as Buyer) using the percentage specified in the applicable Final Terms, being no more than 49 per cent. of the issue proceeds of the relevant Series. Upon the receipt of and pursuant to a purchase order from the Buyer, the Seller will purchase certain commodities from certain suppliers at the spot price and, pursuant to a letter of offer and acceptance, the Buyer will irrevocably undertake to purchase such commodities from the Seller in consideration for a deferred sale price.

Upon purchasing and prior to on-selling any commodities, the Buyer will for a limited period assume the legal and beneficial title to such commodities. It is possible that the acquisition of the commodities, or the disposal thereof, may be, or may by virtue of a change in law become, subject to increased taxation. To the extent that taxation costs arise in respect of the Buyer's acquisition, ownership or disposition of the commodities, there may be a material adverse effect on the Buyer's ability to perform its obligations (including payment obligations) under the Master Murabaha Agreement and, in turn, in respect of the Certificates.

#### *Price fluctuation risk*

The price at which a commodity changes hands is determined as a function of its market as a whole, and both under-supply and over-supply of a commodity can have significant implications for the price at which it is traded. If, after the Buyer has purchased any commodities, the market for the commodities becomes over-supplied or flooded, the price at which the commodities can be on-sold or traded subsequently may be adversely affected. Similarly, if after the Buyer has purchased the commodities, additional governmental or import or export licences become applicable to the market for the commodities, the price at which the commodities can be sold or traded subsequently may also be adversely affected. The effect of such price fluctuations may have a material adverse impact on the Buyer's ability to secure satisfactory on-sale prices for the commodities and, in turn, have a material adverse effect on the Buyer's ability to perform its obligations (including payment obligations) under the Master Murabaha Agreement and, in turn in respect of the Certificates.

#### *Commodity risk*

Upon purchasing commodities from the Seller and prior to selling the commodities to an independent third party purchaser, the Buyer will for a limited period assume the operational risks associated with taking ownership of the commodities. These risks include, without limitation, that:

- (i) the commodities may suffer damage of a nature that reduces their value whilst in storage or during transit;
- (ii) the Buyer's storage and/or transfer of the commodities may cause environmental damage, such as pollution, leakage or contamination, which may breach environmental laws or regulations making the Buyer susceptible to legal or financial recourse;
- (iii) the commodities may be liable to theft and or vandalism; and
- (iv) the commodities may be damaged by terrorist attacks, natural disasters, fire or other catastrophic events that are beyond the control of the Buyer.

To the extent that these risks are not mitigated, or fully covered, by any insurance taken out in respect of the commodities, the occurrence of any of these events may have a material adverse effect on the value of the commodities and/or the Buyer's ability to on-sell the commodities which may, in turn, affect the Buyer's ability to perform its obligations (including payment obligations) under the Master Murabaha Agreement and, in turn in respect of the Certificates.

#### ***Ownership of the Wakala Assets***

In order to comply with the requirements of Shariah, an interest in the Wakala Assets comprised within the relevant Wakala Portfolio will pass to the Trustee under the relevant Purchase Agreement (as defined in the Conditions). The Trustee will declare a trust in respect of such Wakala Portfolio and the other Trust Assets in favour of the Certificateholders of the relevant Series pursuant to the relevant Declaration of Trust. Accordingly, Certificateholders will, through the interest of the Trustee, have ownership interests in the

relevant Asset Portfolio unless the sale of the Asset Portfolio is prohibited by, or ineffective under, any applicable law (see “—*Sale of the Wakala Assets*” below).

No investigation or enquiry will be made and no due diligence will be conducted in respect of any Wakala Assets comprised within any Wakala Portfolio. Such Wakala Assets will be selected by the Obligor and the Certificateholders, the Trustee and the Delegate will have no ability to influence such selection. No steps will be taken to perfect the sale of the usufruct interest (including registration) in the Wakala Assets with any relevant regulatory authority in Qatar (including the Real Estate Registration Department at the Ministry of Justice or the Ministry of Municipality and Urban Planning) or otherwise give notice to any lessee or obligor in respect thereof and such lessees and obligors may have rights of set off or counterclaim against the Obligor in respect of the Wakala Assets comprised within the relevant Wakala Portfolio.

In addition, if and to the extent that a third party is able to establish a direct claim against the Trustee, the Delegate or any Certificateholders on the basis of any ownership interest in the Wakala Assets of any Series, Ezdan has agreed in the relevant Declaration of Trust to indemnify the Trustee, the Delegate and the Certificateholders against any such liabilities in connection with such claim. If Ezdan is unable to meet any such claims then the Certificateholders may suffer losses in excess of the original face amount invested.

### ***Sale of the Wakala Assets***

No investigation has been or will be made as to whether any Interests in any Wakala Assets may be sold as contemplated in the Transaction Documents as a matter of the law governing the contracts (if any), the laws of Qatar or any other relevant law. No investigation will be made to determine if the relevant Purchase Agreement (or Sale Agreement, as the case may be) will have the effect of selling Interests in the Wakala Assets of the relevant Series of Certificates.

The Master Purchase Agreement is, and each Supplemental Purchase Agreement will be, governed by the laws of Qatar and, to the extent that such laws are applied in relation to any dispute, there are doubts as to whether an interest in certain assets can be effectively sold without registration of that interest in Qatar. The sale and purchase of Interests in the Wakala Assets of the relevant Series of Certificates is required to be registered in accordance with the laws of Qatar. In the absence of such registration, the sale or purchase will not be effective against third parties, rather, it will only create a contractual obligation between the parties.

Nevertheless, as indicated above, the Certificateholders will not have any direct rights of enforcement as against the Wakala Assets and their rights are limited to enforcement (either directly or through the Delegate acting on behalf of the Certificateholders) against the Obligor of its obligation to purchase the Wakala Assets pursuant to the terms of the Purchase Undertaking. Accordingly, any restriction on the ability of the Obligor to register the sale of the Wakala Assets to the Trustee is likely to be of limited consequence to the rights of the Certificateholders.

By way of further assurance, the Obligor has covenanted in the Purchase Undertaking that to the extent that any sale of any of the Wakala Assets is not effective in any jurisdiction for any reason, it will make restitution in respect of those Wakala Assets, will fully accept title to the Wakala Assets on the basis of the interest which the Trustee may have in the same and, if that interest is disputed or challenged, will fully indemnify the Trustee for the purpose of redemption in full or in part, as the case may be, of the relevant Series of Certificates and, accordingly, the amount payable under such indemnity will equal the relevant Purchase Price (in the case of an initial defective sale of Wakala Assets) or Exercise Price, Certificateholder Put Right Exercise Price, Change of Control Exercise Price or Optional Dissolution Exercise Price, as the case may be, (in the case of a subsequent defective sale of Wakala Assets) (see “*Summary of the Principal Transaction Documents—Purchase Undertaking*”).

### ***Total Loss Event***

From a Shariah perspective, as owner of the Wakala Assets, the Trustee is required, among other things, to insure the Wakala Assets. The Trustee has appointed the Obligor as its service agent and, in such capacity, Ezdan has undertaken in the Service Agency Agreement, *inter alia*, to insure the Wakala Assets in these circumstances in the name of the Trustee against the occurrence of a Total Loss Event in an insured amount at least equal to the Full Reinstatement Value. A Total Loss Event is defined as (i) the total destruction of, or damage to all of, the Wakala Assets or any event or occurrence which renders all of the Wakala Assets permanently unfit for any economic use and (but only after taking into consideration any insurances payable or other indemnity granted by any third party in respect of the Wakala Assets) the repair or remedial work in respect thereof is wholly uneconomical; or (ii) any expropriation, nationalisation, requisition, confiscation, attachment, sequestration or execution of any legal process in respect of the whole of the Wakala Assets.

Nevertheless, should such an event occur, the Certificates will be repaid using the proceeds of the insurance received by Ezdan together with the outstanding Deferred Sale Price. In this scenario, potential investors should be aware that there may be a delay in the Trustee receiving the proceeds of insurance and therefore in the relevant Certificateholders receiving the Dissolution Distribution Amount in respect of their Certificates. In this regard, the Service Agency Agreement provides that if the insurance proceeds for an amount equal to the Full Reinstatement Value are not paid directly into the Transaction Account within 30 days of the occurrence of the Total Loss Event, the Service Agent shall have failed in its responsibility to insure the Wakala Assets and accordingly (unless it proves beyond any doubt that any shortfall in the insurance proceeds is neither attributable to its negligence nor its failure to comply with the terms of the Service Agency Agreement relating to insurance) Ezdan shall be responsible for paying any shortfall by no later than 31 days after the occurrence of a Total Loss Event (being the Total Loss Event Dissolution Date). The Delegate will be entitled to enforce this undertaking against Ezdan on behalf of the Certificateholders pursuant to the Service Agency Agreement and Declaration of Trust.

Investors should be aware that Periodic Distribution Amounts payable to holders will not accrue after the Total Loss Event Dissolution Date. Accordingly, if for whatever reason there is a delay in or failure to make payment of the relevant Dissolution Distribution Amount, no additional Periodic Distribution Amount will be payable by Ezdan from and including the Total Loss Event Dissolution Date.

### **Risks relating to taxation**

#### ***The value of the Certificates could be adversely affected by a change in tax law***

Statements in this Base Prospectus concerning the taxation of investors are of a general nature and are based upon current law and practice in the jurisdictions stated. Such law and practice is, in principle, subject to change, possibly with retrospective effect, and this could adversely affect investors.

In addition, any change in legislation or in practice in a relevant jurisdiction could adversely impact (i) the ability of the Obligor to make payments under the Transaction Documents to which it is a party and/or the Trustee to make payments under any Series of Certificates; and (ii) the market value of the Certificates.

#### ***Payments under the Transaction Documents may be subject to withholding tax in Qatar***

The Income Tax Law and the Executive Regulations (each as defined herein) provide that any payment of interest and fees made in relation to bonds issued by a Qatari corporate entity will be subject to withholding tax. The provisions of the Income Tax Law and the Executive Regulations could also be construed to apply to profit payments in relation to sukuk (including payments in the nature of profit made by the Obligor to the Trustee). However, the Executive Regulations provide for certain exemptions to such application of withholding tax. In particular, paragraph (ii) of Article 21.4 of the Executive Regulations provides that interest on bonds and securities issued by Qatar and public authorities, establishments and corporations owned wholly

or partly by Qatar shall not be subject to withholding tax. As the shareholders of the Obligor include certain entities wholly owned by Qatar, any payment by the Obligor to the Trustee of amounts in the nature of profit under the relevant Transaction Document should fall within the above exemption.

If the Obligor ceases to have any shareholders that include Qatar or any authority thereof or any entity wholly or partly owned by Qatar, the exemption at paragraph (ii) of Article 21.4 of the Executive Regulations will cease to apply and payments in the nature of profit made by the Obligor to the Trustee under the Transaction Documents will be subject to withholding tax. However, the Transaction Documents provide that in certain circumstances the Obligor is required to pay such additional amounts as will result in receipt by the Trustee after such withholding or deduction of such amounts as would have been received by it had no such withholding or deduction been required.

### **Risks relating to Qatar**

#### ***Emerging markets such as Qatar are subject to greater risks than more developed markets, and financial volatility in emerging markets could negatively impact the Group's business***

Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Investors should also note that emerging markets such as Qatar are subject to rapid change and that the information contained in this Base Prospectus may become outdated relatively quickly. Moreover, financial turmoil in any emerging market country tends to adversely affect confidence in other emerging market countries and cause investors to move their money to more developed markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in Qatar and adversely affect its economy. In addition, during such times, companies that operate in emerging markets can face liquidity constraints as funding sources are withdrawn and this could also adversely affect the Group's business and result in a decrease in the price of Certificates issued under the Programme.

Specific risks in Qatar that could have a material adverse effect on the Group's business, financial condition, results of operations and prospects include, without limitation, the following:

- (i) regional political instability, including government or military regime change, riots or other forms of civil disturbance or violence, including through acts of terrorism;
- (ii) military strikes or the outbreak of war or other hostilities involving nations in the region;
- (iii) a material curtailment of the industrial and economic infrastructure development that is currently underway across the MENA region;
- (iv) government intervention, including expropriation or nationalisation of assets or increased levels of protectionism;
- (v) an increase in inflation and the cost of living;
- (vi) cancellation of contractual rights, expropriation of assets and/or inability to repatriate profits and/or dividends;
- (vii) increased government regulations, or adverse governmental activities, with respect to price, import and export controls, the environment, customs and immigration, capital transfers, foreign exchange and currency controls, labour policies and land and water use and foreign ownership;
- (viii) arbitrary, inconsistent or unlawful government action;
- (ix) changing tax regimes, including the imposition or increase of taxes in Qatar;



- (x) difficulties and delays in obtaining governmental and other approvals for operations or renewing existing ones;
- (xi) inability to repatriate profits or dividends and restrictions on the right to convert or repatriate currency or export assets; and
- (xii) potential adverse changes in laws and regulatory practices, including legal structures and tax laws.

There can be no assurance that either the economic performance of, or political stability in, Qatar or other countries in which the Group may in the future operate can or will be sustained. Investors should note that a worsening of current financial market conditions, instability in certain sectors of the Qatari economy or major political upheaval in Qatar could lead to decreased investor and consumer confidence, market volatility, economic disruption, and declines in real estate markets and, as a result, could have an adverse effect on the business, results of operations, financial condition and prospects of the Group.

***Qatar is located in a region that is subject to ongoing political and security concerns***

A number of countries located in the MENA region are either experiencing, or have in the recent past experienced, political instability, domestic turmoil and violence, and armed conflict. For example, there has been significant political change in Tunisia and Egypt, armed conflict in Iraq, Libya, Syria and Yemen, and protests and related activities in a number of other countries in the MENA region. These recent and ongoing developments, along with terrorist acts, acts of maritime piracy and other forms of instability in the MENA region that may or may not directly involve Qatar, could have an adverse effect on Qatar's economy and its ability to engage in international trade which, in turn, could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Qatar legal system continues to develop and this may create an uncertain environment for investment and business activity***

Qatar is in the process of developing its legal and regulatory institutions. As a result, procedural safeguards as well as formal regulations and laws may not be applied consistently. In some circumstances it may not be possible to obtain the legal remedies provided under Qatari laws and regulations in a timely manner. As the legal environment remains subject to continuous development, investors in Qatar may face uncertainty as to the security of their investments. Any unexpected changes in the legal systems in Qatar may have a material adverse effect on the rights of the holders of any Certificates issued under the Programme or the investments that the Group has made or may make in the future, which may in turn have a material adverse effect on the Group's business, operating results, cash flows, prospects and financial condition.

***The statistical data contained in this document should be treated with caution by prospective investors***

Statistics contained in this document, including in relation to GDP, balance of payments, revenues and expenditures, and indebtedness of the Qatari government, have been obtained from, among other sources, the Qatari Ministry of Finance, the Qatar Central Bank, the Qatar Statistics Authority (the QSA) and the IMF. Such statistics, and the component data on which they are based, may not have been compiled in the same manner as data provided by other sources and may be different from statistics published by third parties, reflecting the fact that the underlying assumptions and methodology may vary from source to source.

There may also be material variances between preliminary, estimated or projected statistics set forth in this document and actual results, and between statistics set forth in this document and corresponding data previously published by or on behalf of Qatar. Consequently, the statistical data contained in this document should be treated with caution by prospective investors.

***Qatar has a relatively new insolvency law and there is no certainty as to how Qatari courts will construe or enforce such law in the event of a bankruptcy affecting the Obligor***

Qatar has relatively new bankruptcy and insolvency provisions (part of the Commercial Code No. 27 of 2006) (the “**Bankruptcy Law**”). The Bankruptcy Law provisions are similar to those included in the Egyptian and most other GCC laws and relate largely to the declaration of bankruptcy, its effects and its administration, and include conciliation to prevent bankruptcy. However, because the Bankruptcy Law is untested by Qatari courts, there is no certainty as to how Qatari courts would construe or enforce the Bankruptcy Law in the event of a bankruptcy affecting Ezdan. There can also be no assurance that a Qatari court would compel a bankruptcy administrator to perform any of the Issuer’s or Ezdan’s (in each case, acting in any capacity) obligations under the Certificates or the Transaction Documents, as applicable, during an administration period. The Bankruptcy Law also enables Qatari courts to defer adjudication of a company’s bankruptcy if the court decides that it is possible to improve that company’s financial position during a period (such period to be specified by the court) or if judged to be in the interest of the national economy.

***There is no principle of binding precedent in the Qatari courts***

There is no doctrine of binding precedent in the Qatari courts and reports of the decisions of the Qatari courts are not always published. As a result, any experience with and knowledge of prior rulings of the Qatari courts may not be a reliable basis on which to predict decisions that Qatari courts may render in the future. Thus the outcome of any legal dispute remains uncertain.

**Risks relating to enforcement in Qatar**

***Considerations relating to the non-recognition of trusts under the laws of the Qatar***

The laws of Qatar do not recognise the concept of trust or beneficial interests. Accordingly, if a Qatari court were to consider the merits of a claim in respect of the Master Declaration of Trust and any Supplemental Declaration of Trust and Qatari law principles in doing so, there is no certainty that all of the terms of the Master Declaration of Trust or any Supplemental Declaration of Trust (each of which is governed by English law) would be enforced by the Qatari courts and the trust arrangements set out therein may be recharacterised as an agency arrangement by the Qatari courts.

***Claims for specific enforcement***

If the Obligor fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include obtaining an order for specific enforcement of the Obligor’s obligations or a claim for damages. There is no assurance that a court will provide an order for specific enforcement, which is a discretionary matter. The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the Trustee and the Delegate to mitigate any loss arising as a result of the breach. No assurance is provided on the level of damages which a court may award in the event of a failure by the Obligor to perform its obligations set out in the Transaction Documents to which it is a party.

***Investors may experience difficulty in enforcing arbitration awards and foreign judgments in Qatar***

Under the Conditions, the parties have agreed that any dispute arising out of or in connection with the Certificates shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the LCIA, with the Delegate and the Certificateholders having the option to refer disputes to the courts of England and the courts of Qatar (as the case may be). In the event that proceedings are brought against the Trustee and/or the Obligor in Qatar, the Qatari courts would, in accordance with their normal practice, enforce the contractual terms of the Certificates (including the contractual choice of a governing law other than Qatari law to govern the Certificates, provided that this would not apply to any provision of that law which Qatari courts held to be contrary to any mandatory provision of Qatari law or to public order or morality in Qatar).

Qatar formally acceded to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “**Convention**”) on 30 December 2002 which came into effect under Qatari law on 30 March 2003. As a result, foreign awards (i.e. those that are issued from a seat outside of Qatar such as London or Paris and thus subject to the procedural laws of a foreign state) should be enforced in Qatar pursuant to the terms of the Convention.

Under the terms of the Convention, the courts in Qatar will be entitled to refuse to enforce a foreign arbitration award only on certain narrowly defined grounds. Broadly, enforcement may be refused where (i) the arbitration agreement was invalid (ii) a party was not given an opportunity to present its case (iii) the tribunal of arbitrators that decided the dispute was incorrectly formed or acted beyond its competence (iv) the award is not final in the state in which it was made (v) under the laws of Qatar the subject matter of the dispute cannot be decided by arbitration and (vi) enforcement of the award would be against the public policy of Qatar.

There is currently no treaty or convention for the reciprocal enforcement of judgments between Qatar and England. A judgment obtained from a court in England will be enforceable in Qatar subject to the provisions of Articles 379 and 380 of the Civil and Commercial Procedure Law, which provides, in the case of Article 379, that judgments and orders pronounced in a foreign country may be ordered to be executed in Qatar upon the conditions determined in that country for the execution of Qatari judgments and orders and provides, in the case of Article 380, that an order for execution of a foreign judgment or order will not be made unless and until the following have been ascertained: that (i) the judgment or order was delivered by a competent court of the foreign jurisdiction in question; (ii) the parties to the action were properly served with notice of proceedings and properly represented; (iii) the judgment or order is one that is capable of being executed by the successful party to the proceedings in conformity with the laws of the foreign jurisdiction in question; and (iv) the foreign judgment or order does not conflict with a previous judgment or order of a competent Qatari court and is not contrary to public policy or morality in Qatar. A Qatari court would be entitled to call for textual evidence on the laws of England concerning the conditions that would be applicable for the execution of the judgment of a Qatari court in England and the Qatari court would then be entitled to execute the judgment of the English court upon those conditions.

Accordingly, although a judgment obtained from a court in England would be admissible in evidence in any proceedings brought in Qatar, in order to enforce such judgment it would still be necessary to initiate proceedings in Qatar.

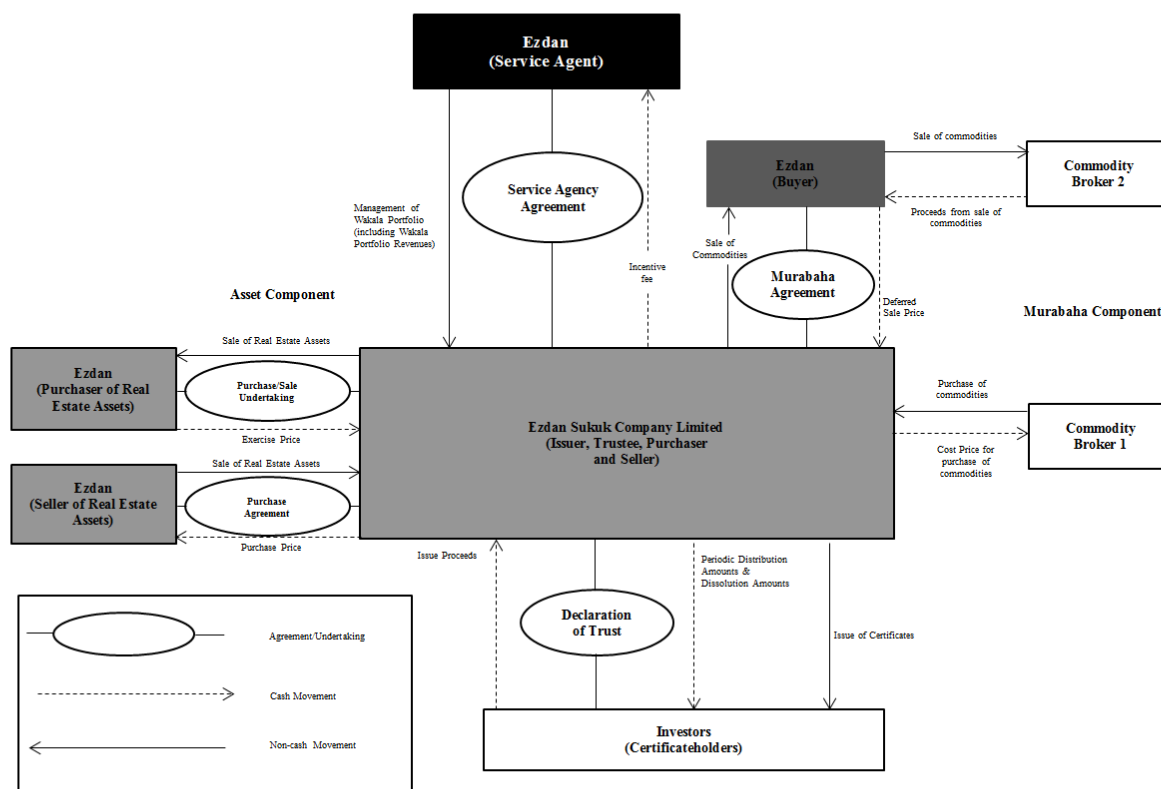
In addition, the option to litigate may create confusion as to the intended jurisdiction if the matter was brought before the courts of Qatar. The confusion may arise because Clause 192 of Law No. 13 of 1990 of Qatar makes clear that inclusion of an arbitration clause in a contract constitutes a waiver by the parties to such contract of their right to refer the dispute to the courts. Accordingly, there is a risk that the courts of Qatar may find that submission to arbitration was not the sole dispute resolution forum intended by the parties and assume jurisdiction.

### ***Waiver of sovereign immunity***

The Obligor has waived its rights, if any, in relation to sovereign immunity under the Transaction Documents to which it is a party. However, there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by the Obligor under the Transaction Documents to which it is a party are valid and binding under the laws of Qatar and applicable in Qatar.

## STRUCTURE DIAGRAM AND CASHFLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying each Series issued. Potential investors are referred to the terms and conditions of the Certificates set out in “Terms and Conditions of the Certificates” and the detailed descriptions of the relevant Transaction Documents set out in “Summary of the Principal Transaction Documents” for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.



### Principal Cashflows

#### Payments by the Certificateholders and the Trustee

On the Issue Date, the Certificateholders will pay the issue price in respect of the Certificates (the “**Issue Proceeds**”) to the Trustee and the Trustee will pay:

- the percentage specified in the applicable Final Terms, being no less than 51 per cent. (the “**Wakala Percentage**”), of the Issue Proceeds to Ezdan (in its capacity as seller) as the purchase price payable under the relevant Supplemental Purchase Agreement for the purchase of an Interest in certain assets including, but not limited to, the right to receive any payments or other distributions made in respect of such assets; and
- the percentage specified in the applicable Final Terms, being no more than 49 per cent. (the “**Murabaha Percentage**”) of the Issue Proceeds in the purchase of commodities to be sold to Ezdan (in its capacity as buyer, the “**Buyer**”) on a deferred payment basis for an amount specified in the relevant letter of offer and acceptance, comprised of (i) the relevant Commodity Purchase Price and (ii) the relevant profit amount (the “**Deferred Sale Price**”) pursuant to the Master Murabaha Agreement (the “**Commodity Murabaha Investment**”),

and the Interests in the Wakala Assets forming part of the Asset Portfolio for such Series, the Commodity Murabaha Investment for such Series and all other rights arising under or with respect to such Interests and the Commodity Murabaha Investment (including the right to receive payment of the Deferred Sale Price and any other amounts or distributions due in connection with the relevant Interests and Commodity Murabaha Investment) shall together comprise the “**Wakala Portfolio**” in respect of such Series.

#### **Periodic Distribution Payments**

In relation to a Series, all revenues from the Wakala Portfolio (including any amounts of Deferred Sale Price to be paid in respect of the Commodity Murabaha Investment and any rental payments or other amounts paid in respect of the Asset Portfolio) (the “**Wakala Portfolio Revenues**”) will be recorded by the Service Agent in the Collection Account. By no later than the business day prior to the Periodic Distribution Date, the Service Agent shall pay into the Transaction Account from the Collection Account an amount equal to the aggregate of all Periodic Distribution Amounts payable on the relevant Periodic Distribution Date by the Trustee under the Certificates of the relevant Series, together with any amounts payable pursuant to Conditions 5(b)(i) and 5(b)(ii) (the “**Required Amount**”), and such Required Amount shall be applied by the Trustee for those purposes.

If the Wakala Portfolio Revenues are greater than the Required Amount, such excess returns shall be credited to a separate account by the Service Agent (such account, the “**Reserve Account**”). If the amount standing to the credit of the Transaction Account on a Wakala Distribution Determination Date is insufficient to fund the Required Amount, the Service Agent shall apply amounts standing to the credit of the Reserve Account towards such shortfall, by paying an amount equal to the same into the Transaction Account. If, having applied such amounts from the Reserve Account, there remains a shortfall between the amount standing to the credit of the Transaction Account and the Required Amount, the Service Agent may in its sole discretion either (i) provide Shariah-compliant funding to the Trustee itself or (ii) procure Shariah-compliant funding from a third party to be paid to the Trustee, in each case in an amount equal to the shortfall remaining (if any) on terms that such funding is repayable (i) from excess Wakala Portfolio Revenues received in respect of a subsequent period, or (ii) on the relevant Dissolution Date (such funding in relation to a Series, a “**Liquidity Facility**”).

#### **Payment of the Dissolution Distribution Amount on the Scheduled Dissolution Date**

On the business day prior to the relevant Scheduled Dissolution Date in relation to each Series:

- (a) the final payment of the outstanding Deferred Sale Price shall become due and payable; and
- (b) the Trustee will have the right under the Purchase Undertaking to require the Obligor to purchase all of its Interests in the relevant Asset Portfolio in consideration for payment by the Obligor of the relevant Exercise Price,

and such amounts are intended to fund the Dissolution Distribution Amount payable by the Trustee under the Certificates on the Scheduled Dissolution Date.

#### **Payment of the Dissolution Distribution Amount in the event of early redemption**

The Certificates in relation to any Series may be redeemed, in the case of sub-paragraphs (i), (ii), (iii) and (vii) below, in whole but not in part and, in the case of sub-paragraphs (iv) to (vi) below, in whole or in part, prior to the relevant Scheduled Dissolution Date for the following reasons: (i) following a Dissolution Event; (ii) at the option of the Obligor for tax reasons; (iii) if so specified in the applicable Final Terms, if 75 per cent. or more in face amount of the Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to Condition 8; (iv) if so specified in the applicable Final Terms, at the option of the Obligor; (v) if so specified in the applicable Final Terms, at the option of all or any of the Certificateholders;

(vi) if so specified in the applicable Final Terms, following the occurrence of a Change of Control Event at the option of all or any of the Certificateholders; or (vii) upon the occurrence of a Total Loss Event.

In respect of an early redemption pursuant to paragraphs (ii) to (iv) above, on the business day prior to the Early Tax Dissolution Date, Optional Dissolution Date or Clean Up Call Right Dissolution Date, as the case may be:

- (a) the outstanding Deferred Sale Price shall become due and payable; and
- (b) the Obligor will have the right under the Sale and Substitution Undertaking to require the Trustee to sell to the Obligor all of its Interests in all or part of the Asset Portfolio, as the case may be, in consideration for payment by the Obligor of the relevant Exercise Price or Optional Dissolution Exercise Price, as the case may be,

and such amounts are intended to fund the Dissolution Distribution Amount payable by the Trustee under the Certificates on the relevant Dissolution Date.

In respect of an early redemption pursuant to paragraphs (i), (v) and (vi) above, on the business day prior to the relevant redemption:

- (a) the outstanding Deferred Sale Price will become immediately due and payable; and
- (b) the Trustee will have the right under the Purchase Undertaking to require the Obligor to purchase all of its Interests in all or part of the Asset Portfolio, as the case may be, in consideration for payment by the Obligor of the relevant Exercise Price, Certificateholder Put Right Exercise Price or Change of Control Exercise Price, as the case may be,

and such amounts are intended to fund the Dissolution Distribution Amount payable by the Trustee under the Certificates on the relevant Dissolution Date.

*For Shariah reasons, the Optional Dissolution Right and the Certificateholder Put Right cannot both be specified as applicable in the applicable Final Terms in respect of any single Series.*

In respect of any early redemption following a Total Loss Event, the amounts payable to the Certificateholders will be an amount equal to the sum of (A) the proceeds of any insurance policies which the Service Agent has entered into in respect of the relevant Wakala Assets; (B) all of the Wakala Portfolio Revenues credited to the Collection Account of the relevant Series which the Service Agent is required to transfer to the Transaction Account immediately upon the occurrence of a Total Loss Event together with any other amounts required to fund any Total Loss Shortfall Amount; and (C) all outstanding amounts of the Deferred Sale Price, such amounts being intended to be sufficient in order to redeem the relevant Certificates in full.

#### **Purchase and Cancellation of Certificates**

Pursuant to Condition 8(i), the Obligor and its subsidiaries may at any time purchase Certificates in the open market or otherwise. In connection with the Obligor electing to cancel any Certificates so purchased:

- (a) the outstanding Deferred Sale Price shall be reduced by the relevant proportion of Certificates cancelled; and
- (b) the Obligor shall exercise its right under the Sale and Substitution Undertaking to require the Trustee to sell a specified portion (as applicable) of the Asset Portfolio to the Obligor in consideration for cancellation of the relevant Certificates pursuant to Condition 8(j),

in each case on the relevant date specified by the Obligor for cancellation.

## OVERVIEW OF THE PROGRAMME

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Series, the applicable Final Terms. The Trustee and any relevant Dealer(s) may agree that Certificates shall be issued in a form other than that contemplated in the Terms and Conditions of the Certificates, in which event, in the case of listed Certificates only and, if appropriate, a supplemental prospectus will be published.*

Words and expressions defined in “Terms and Conditions of the Certificates” and “Summary of Provisions relating to the Certificates while in Global Form” shall have the same meanings in this overview.

**Obligor, Seller, Buyer and Service Agent:**

Ezdan Holding Group Q.P.S.C. incorporated in Qatar under registration number 15466, in its capacity as Obligor pursuant to the Purchase Undertaking, Seller under the Master Purchase Agreement, Buyer under the Master Murabaha Agreement and Service Agent under the Service Agency Agreement.

**Trustee:**

Ezdan Sukuk Company Limited, as issuer of the Certificates and as trustee for and on behalf of the Certificateholders, an exempted company with limited liability incorporated on 15 February 2016 in accordance with the Companies Law (2013 Revision) of the Cayman Islands and formed and registered in the Cayman Islands with company registration number 308699 with its registered office at c/o MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands.

The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party.

**Ownership of the Trustee:**

The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 shares of U.S.\$1.00 each, of which 250 shares are fully paid up and issued. The Trustee’s entire issued share capital is held by MaplesFS Limited on trust for charitable purposes.

**Administration of the Trustee:**

The affairs of the Trustee are managed by MaplesFS Limited (the “**Trustee Administrator**”), who provide, amongst other things, certain administrative services for and on behalf of the Trustee pursuant to a Corporate Services Agreement dated 20 April 2016 between the Trustee and the Trustee Administrator (the “**Corporate Services Agreement**”)

**Arrangers:**

HSBC Bank plc and Mashreqbank P.S.C.

**Dealers:**

HSBC Bank plc and Mashreqbank P.S.C.

The Obligor may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Series or in respect of the whole Programme. References in this Base Prospectus to “**Permanent Dealers**” are to the persons listed above as

Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “**Dealers**” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Series.

**Delegate:**

Citibank, N.A., London Branch (the “**Delegate**”). In accordance with the Master Declaration of Trust, the Trustee will, *inter alia*, unconditionally and irrevocably appoint the Delegate to be its attorney and to exercise certain present and future duties, powers, authorities and discretions vested in the Trustee by certain provisions of the Master Declaration of Trust in accordance with the terms of the Master Declaration of Trust. In particular, the Delegate shall be entitled to (and, in certain circumstances, shall, subject to being indemnified and/or secured and/or prefunded to its satisfaction, be obliged to) take enforcement action in the name of the Trustee against the Obligor (in any capacity) following a Dissolution Event.

**Principal Paying Agent, Transfer Agent and Calculation Agent:**

Citibank, N.A., London Branch

**Registrar:**

Citigroup Global Markets Deutschland AG

**Initial Programme Size:**

Up to U.S.\$2,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) aggregate face amount of Certificates outstanding at any time. The size of the Programme may be increased in accordance with the terms of the Dealer Agreement.

**Method of Issue:**

The Certificates may be issued by way of public or private placement and in each case on a syndicated or non-syndicated basis. The Certificates will be issued in series (each series of Certificates being a “**Series**”).

**Currencies:**

Subject to compliance with all relevant laws, regulations and directives, Certificates may be issued in any currency (each a “**Specified Currency**”) agreed between the Trustee, the Obligor, the Delegate and the relevant Dealer.

**Maturities:**

The Certificates will have such maturities as may be agreed between the Trustee, the Obligor and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee, the Obligor or the Specified Currency.

**Issue Price:**

Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms. The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, the Obligor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.



**Denomination of Certificates:**

The Certificates will be issued in such denominations as may be agreed between the Trustee, the Obligor and the relevant Dealer(s), save that (i) the minimum denomination of each Certificate will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency, (ii) the minimum denomination of each Certificate admitted to trading on a regulated market within the EEA or offered to the public in an EU Member State, in circumstances which require the publication of a prospectus under the Prospectus Directive, will be at least €100,000 (or, if the Certificates are denominated in a currency other than euro, the equivalent amount in such currency, as calculated on the Issue Date of such Series) and (iii) unless otherwise permitted by such current laws and regulations, Certificates (including Certificates denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Trustee in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or, if the Certificates are denominated in a currency other than sterling, the equivalent amount in such currency, as calculated on the Issue Date of such Series).

**Status of the Certificates:**

The Certificates will represent an undivided ownership interest in the Trust Assets of the relevant Series and will be limited recourse obligations of the Trustee. Each Certificate will constitute unsecured obligations of the Trustee and shall at all times rank *pari passu* and without any preference or priority with all other Certificates of the relevant Series.

The payment obligations of the Obligor (in any capacity) to the Trustee under the Transaction Documents in respect of each Series of Certificates will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 6(b)(i)) unsecured obligations of the Obligor and shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 6(b)(i), at all times rank at least equally with all other unsecured and unsubordinated obligations of the Obligor, present and future.

**Trust Assets:**

The Trust Assets of the relevant Series will be (i) the cash proceeds of the issue of the relevant Series of Certificates, pending application thereof in accordance with the terms of the Transaction Documents; (ii) the Wakala Portfolio; (iii) the Trustee's rights, title, interest, benefits and entitlements, present and future, in the Transaction Documents (other than in relation to the Excluded Representations (as defined in the Conditions) and the covenant given to the Trustee pursuant to Clause 17.1

of the Master Declaration of Trust); and (iv) all monies standing to the credit of the relevant Transaction Account from time to time, and all proceeds of (i) to (iv) (the “**Trust Assets**”).

**Periodic Distribution Amounts:**

Certificateholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the applicable Final Terms.

Each Certificate will bear profit on its outstanding face amount at such fixed or floating rate per annum equal to the Profit Rate (as defined in the Conditions) and on such date or dates as may be agreed between the Trustee, the Obligor and the relevant Dealer(s), calculated in accordance with such Day Count Fraction as may be agreed between the Trustee, the Obligor and the relevant Dealer(s), each as more particularly described in Condition 7.

**Obligor Negative Pledge and other covenants:**

The Certificates will have the benefit of a negative pledge and certain other covenants granted by the Obligor in respect of itself, in each case as described in Condition 6(b).

**Cross Default:**

In respect of the Obligor, the Certificates will have the benefit of a cross-default provision, as described in sub-paragraph (c) of the definition of “**Obligor Event**” corresponding thereto.

**Dissolution on the Scheduled Dissolution Date:**

Unless the Certificates are previously redeemed or purchased and cancelled in full, the Trustee will redeem each Certificate at the relevant Dissolution Distribution Amount on the relevant Scheduled Dissolution Date specified in the applicable Final Terms for such Series and the Trust in relation to the relevant Series will be dissolved by the Trustee following the payment of all such amounts in full.

**Dissolution Distribution Amount:**

In relation to each Certificate of a Series, either:

- (i) the sum of:
  - (a) the outstanding face amount of such Certificate; and
  - (b) any accrued and unpaid Periodic Distribution Amounts for such Certificate; or
- (ii) (in the case of an exercise of the Optional Dissolution Right pursuant to Condition 8(c)) if so specified in the applicable Final Terms, the Make-Whole Dissolution Amount (as defined in the Conditions) in respect of such Certificate; or
- (iii) such other amount specified in the applicable Final Terms as being payable upon any Dissolution Date.

**Early Dissolution of the Trust:**

The Trust may only be dissolved (in whole or in part) prior to the Scheduled Dissolution Date upon the:

- (i) occurrence of a Dissolution Event;
- (ii) occurrence of a Total Loss Event;
- (iii) exercise of an Optional Dissolution Right (if applicable to

- the relevant Series);
- (iv) exercise of a Certificateholder Put Right (if applicable to the relevant Series);
  - (v) exercise of a Change of Control Put Right (if applicable to the relevant Series);
  - (vi) exercise of an Obligor Clean Up Call Right (if applicable to the relevant Series); or
  - (vii) the occurrence of a Tax Event.

In each case, the Certificates of a Series will be redeemed pursuant to the exercise of the Purchase Undertaking or the Sale and Substitution Undertaking (as applicable) whereupon the Obligor will pay the relevant Exercise Price, Change of Control Exercise Price or Certificateholder Put Right Exercise Price, as the case may be, to the Trustee and purchase from the Trustee the Interests in the Asset Portfolio, the Change of Control Assets or the Certificateholder Put Right Assets, as the case may be.

The relevant Exercise Price, Change of Control Exercise Price or Certificateholder Put Right Exercise Price payable under the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be, together with all or, as applicable, a proportion of all remaining amounts of the Deferred Sale Price will be used to fund the redemption of the Certificates of the relevant Series at an amount equal to the relevant Dissolution Distribution Amount.

**Dissolution Events:**

Following the occurrence and continuation of a Dissolution Event in respect of a Series of Certificates, the Certificates may be redeemed in full at an amount equal to the relevant Dissolution Distribution Amount in the manner described in Condition 12.

**Early Dissolution for Tax Reasons:**

Where the Trustee has or will become obliged to pay additional amounts in respect of the Certificates pursuant to Condition 10 or the Obligor has or will become obliged to pay additional amounts to the Trustee pursuant to the terms of any Transaction Document as a result of a change in, or amendment to, the laws or regulations of the Cayman Islands (in the case of a payment by the Trustee) or Qatar (in the case of a payment by the Obligor) or, in each case, any political subdivision or any authority therein or thereof having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the relevant Issue Date, and such obligation cannot be avoided by the Trustee or the Obligor, as applicable, taking reasonable measures available to it, the Obligor may in its sole discretion require the Trustee to redeem the Certificates in whole, but not in part, at the relevant Dissolution Distribution

Amount, as more particularly described in Condition 8(b) and if the Certificates to be redeemed are Floating Rate Certificates, the redemption must occur on a Periodic Distribution Date.

**Optional Dissolution Right:**

If so specified in the applicable Final Terms, the Obligor may, in accordance with Condition 8(c), require the Trustee to redeem all or some only of the Certificates of the relevant Series at the relevant Dissolution Distribution Amount on any Optional Dissolution Date, which, if the Certificates to be redeemed are Floating Rate Certificates, must be a Periodic Distribution Date.

If applicable to the relevant Series, the Optional Dissolution Date(s) will be specified in the applicable Final Terms.

**Certificateholder Put Right:**

If so specified in the applicable Final Terms, the Certificateholders may elect to redeem their Certificates on any Certificateholder Put Right Date(s), which, if the Certificates to be redeemed are Floating Rate Certificates, must be a Periodic Distribution Date, specified in the applicable Final Terms at an amount equal to the relevant Dissolution Distribution Amount in accordance with Condition 8(d).

**Change of Control Put Right:**

Upon the occurrence of a Change of Control Event, Certificateholders may elect to redeem their Certificates, in whole or in part, on the relevant Change of Control Put Date at the relevant Dissolution Distribution Amount in accordance with Condition 8(e).

A “**Change of Control Event**” shall occur if at any time HH Sheikh Thani bin Abdullah Al-Thani (“**Sheikh Abdullah Al-Thani**”) and any member of his family (taken together) cease to own, directly or indirectly, in aggregate, more than 50 per cent. of the issued share capital of the Obligor or otherwise ceases to control, directly or indirectly, the Obligor. “**Control**” for these purposes shall be the power to appoint and/or remove all or the majority of the members of the Board of Directors or to control or have the power to control the affairs and policies of the Obligor (in each case whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise).

**Obligor Clean Up Call Right**

If 75 per cent. or more in face amount of the Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to Condition 8, the Obligor may, in accordance with Condition 8(f), require the Trustee to redeem all of the Certificates of the relevant Series at the relevant Dissolution Distribution Amount on the Clean Up Call Right Dissolution Date.

**Total Loss Event:**

A “**Total Loss Event**” is in relation to any Series (i) the total destruction of, or damage to all of, the Wakala Assets which constitute the Wakala Portfolio relating to that Series or any

event or occurrence which renders all of the Wakala Assets relating to that Series permanently unfit for any economic use and (but only after taking into consideration the proceeds of any insurances or other indemnity granted by any third party in respect of such Wakala Assets) the repair or remedial work in respect thereof is wholly uneconomical; or (ii) the occurrence of any expropriation, nationalisation, requisition, confiscation, attachment, sequestration or execution of any legal process in respect of the whole of the Wakala Assets relating to that Series.

The Service Agent will irrevocably undertake with the Trustee in relation to the Wakala Portfolio to be responsible for ensuring that the Wakala Assets are properly insured to the extent consistent with general industry practice by prudent owners of similar assets and, accordingly, shall effect such insurances in respect of the Wakala Assets (the “**Insurances**”), through brokers and with such reputable insurance companies in good financial standing, including against a Total Loss Event. The Service Agent undertakes to (a) ensure that the insured amount relating to a Total Loss Event will, at all times, be at least equal to the Full Reinstatement Value (being, in respect of each Series, an amount equal to the aggregate of (i) the aggregate face amount of the Certificates then outstanding less the Principal Murabaha Amount; (ii) all accrued but unpaid Periodic Distribution Amounts relating to the Certificates up to but excluding the date on which the Total Loss Event occurs; and (iii) an amount equal to the Periodic Distribution Amounts relating to such Certificates which would have accrued (had a Total Loss Event not occurred) during the period beginning on and including the date on which the Total Loss Event occurred and ending on but excluding the 31st day following the date on which the Total Loss Event occurred; (b) promptly make a claim in respect of each loss relating to the Wakala Assets in accordance with the terms of the Insurances; (c) notify the Trustee and the Delegate upon the occurrence of a Total Loss Event and provide a description of such Total Loss Event; and (d) ensure that in the event of a Total Loss Event occurring all the proceeds of the Insurances against a Total Loss Event are in an amount equal to the Full Reinstatement Value and are paid in the Specified Currency directly into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event and that the insurer(s) will be directed accordingly.

If the Service Agent fails to comply with such undertaking and as a result the amount (if any) credited to the relevant Transaction Account pursuant to the Service Agency Agreement is less than the Full Reinstatement Value (the difference between such Full Reinstatement Value and the amount credited to the Transaction Account being the “**Total**

**Loss Shortfall Amount**”), then the Service Agent (unless it proves beyond any doubt that any shortfall in the insurance proceeds is neither attributable to its negligence nor its failing to comply with the terms of this Agreement relating to insurance) irrevocably and unconditionally undertakes to pay (in same day, freely transferable, cleared funds) the Total Loss Shortfall Amount directly into the Transaction Account by no later than the close of business in London on the 31st day after the Total Loss Event has occurred provided such day is a business day (as defined in Condition 9(d)) or, if not, on the next following business day, and such Total Loss Shortfall Amount, together with the insurance proceeds received in respect of the Total Loss Event and the outstanding amounts payable under the Master Murabaha Agreement, will be used to redeem the Certificates on the next business day. Thereafter, and subject to the Service Agent’s strict compliance with such obligations, any insurance proceeds received from such insurer shall be for the Service Agent’s sole account and the Trustee shall have no further claim against the Service Agent for failing to comply with its insurance obligations. Any such breach will not constitute an Obligor Event.

**Cancellation of Certificates held by the Obligor and/or any of its Subsidiaries:**

Pursuant to Condition 8(i), the Obligor and/or any of its Subsidiaries may at any time purchase Certificates in the open market or otherwise at any price. Any such Certificates purchased by or on behalf of the Obligor or any of its Subsidiaries may be surrendered for cancellation in accordance with Condition 8(j).

**Limited Recourse:**

Each Certificate of a particular Series will represent an undivided ownership interest in the Trust Assets for such Series. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available from the relevant Trust Assets.

If the proceeds of the relevant Trust Assets are insufficient to make all payments due in respect of the Certificates, Certificateholders will have no recourse to any assets of the Trustee (and/or its directors, officers, shareholders or corporate service providers in their capacity as such) (other than the relevant Trust Assets in the manner and to the extent contemplated by the Transaction Documents) or the Delegate or any Agent or any of their respective directors, officers, employees, shareholders or affiliates in respect of any shortfall in the expected amounts from the relevant Trust Assets to the extent the relevant Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished.

See further Condition 4(b).

**Form of the Certificates:**

The Certificates will be issued in registered form only. The Certificates of each Series will be represented on issue by

beneficial interests in a Global Certificate (the “**Global Certificate**”), which will be deposited with, and registered in the name of a nominee for, a common depository (the “**Common Depository**”) for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”). Individual Certificates evidencing holdings of Certificates will be issued in exchange for interests in the relevant Global Certificate only in certain limited circumstances described under “*Summary of Provisions relating to the Certificates while in Global Form*”.

**Clearance and Settlement:**

Holders of the Certificates must hold their interest in the relevant Global Certificate in book-entry form through Euroclear and/or Clearstream, Luxembourg. Transfers within and between each of Euroclear or Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system.

**Withholding Tax:**

All payments by or on behalf of the Trustee in respect of the Certificates are to be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Cayman Islands or Qatar or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In such event, the Trustee has agreed to pay such additional amounts as shall result in receipt by the Certificateholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to and in accordance with Condition 10. If the Trustee is required to pay any additional amounts as aforesaid, the Obligor has undertaken in the Master Declaration of Trust to pay such additional amounts as may be necessary so that the full amount due and payable by the Trustee in respect of the Certificates is received by the Trustee for the purposes of payment to the Certificateholders in accordance with and subject to the provisions of Condition 10.

In addition, all payments by the Obligor under the Transaction Documents to which it is a party are to be made without any deduction or withholding for, or on account of, any present or future taxes, levies, duties, fees, assessments or other charges of whatever nature unless required by law and without set-off or counterclaim of any kind. If any deduction or withholding is required by law, the Obligor has undertaken to pay such additional amounts as shall result in receipt by the Trustee or the Delegate (as the case may be) of such amounts as would have been received by it under the relevant Transaction Document had no such deduction or withholding been made.

**Listing and Admission to Trading:**

Application will be made to the Irish Stock Exchange plc for

each Series of the Certificates issued under the Programme to be admitted to the Official List and to trading on the Main Securities Market or as otherwise specified in the applicable Final Terms and references to listing shall be construed accordingly. As specified in the applicable Final Terms, a Series of Certificates may be unlisted.

**Listing Agent:**

Arthur Cox Listing Services Limited.

**Certificateholder Meetings:**

A summary of the provisions for convening meetings of Certificateholders to consider matters relating to their interests as such is set out in Condition 14.

**Tax Considerations:**

See “*Taxation*” for a description of certain tax considerations applicable to the Certificates.

**Governing Law:**

The Certificates and any non-contractual obligations arising out of or in connection with them shall be governed by and construed in accordance with English law.

Each of the Transaction Documents and any non-contractual obligations arising out of or in connection with the same will be governed by and construed in accordance with English law, except the Master Purchase Agreement, the Supplemental Purchase Agreement and the sale agreements to be executed upon exercise of the Purchase Undertaking or the Sale and Substitution Undertaking, which will be governed by and construed in accordance with the laws of Qatar.

**Transaction Documents:**

The Transaction Documents in respect of a Series shall comprise the Certificates, the Master Declaration of Trust, each Supplemental Declaration of Trust, the Agency Agreement, the Master Purchase Agreement, each Supplemental Purchase Agreement, the Master Murabaha Agreement, each Murabaha Contract, the Service Agency Agreement, the Purchase Undertaking, the Sale and Substitution Undertaking, any sale agreement to be executed upon exercise of the Sale and Substitution Undertaking or the Purchase Undertaking and any additional document(s) specified as such in the applicable Final Terms.

**Rating:**

The Programme has been rated BBB- by S&P and Ba1 by Moody’s.

The Obligor has been assigned long term ratings of BBB- with a stable outlook by S&P and Ba1 with a stable outlook by Moody’s.

A Series of Certificates to be issued under the Programme may be rated or unrated. Where a Series of Certificates is to be rated, its rating will be specified in the applicable Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.



**Selling Restrictions:**

The United States, the EEA, the United Kingdom, Qatar, the UAE (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, Saudi Arabia, Bahrain, Japan, Hong Kong, Malaysia, Singapore, Switzerland and the Cayman Islands. See “Subscription and Sale”.

**United States Selling Restrictions:**

Regulation S, Category 2.

## DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with:

- (i) the 2016 Financial Statements [http://www.ezdanholding.qa/investor-relation-files/3159\\_FS%2031%20Dec%202016-%20ENGLISH.pdf](http://www.ezdanholding.qa/investor-relation-files/3159_FS%2031%20Dec%202016-%20ENGLISH.pdf) together with the audit report thereon, each of which have been previously published or are published simultaneously with this Base Prospectus and which have been filed with the Central Bank of Ireland; and
- (ii) the 2015 Financial Statements [http://www.ezdanholding.qa/investor-relation-files/6257\\_Ezdan%20Holding%20Group%20English%2031%20Dec%202015%20FS.pdf](http://www.ezdanholding.qa/investor-relation-files/6257_Ezdan%20Holding%20Group%20English%2031%20Dec%202015%20FS.pdf) together with the audit report thereon, each of which have been previously published or are published simultaneously with this Base Prospectus and which have been filed with the Central Bank of Ireland,

save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained (without charge) from the registered office of the Issuer or the Paying Agent.

The hyperlinks included in this Base Prospectus, other than those set out above, or included in any documents incorporated by reference in this Base Prospectus, and the websites and their content are not incorporated into, and do not form part of, this Base Prospectus.

## TERMS AND CONDITIONS OF THE CERTIFICATES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Certificates in definitive form (if any) issued in exchange for the Global Certificate representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the applicable Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such definitive Certificates. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Certificates. References in the Conditions to “**Certificates**” are to the Certificates of one Series only, not to all Certificates that may be issued under the Programme.*

Ezdan Sukuk Company Limited (in its capacities as issuer of the Certificates (as defined below) and as trustee for the Certificateholders (as defined below), the “**Trustee**”) has established a programme (the “**Programme**”) for the issuance of trust certificates (the “**Certificates**”) in a maximum aggregate face amount of U.S.\$2,000,000,000 (or the equivalent in other currencies calculated as described in the dealer agreement between the Trustee, Ezdan Holding Group Q.P.S.C. (“**Ezdan**” or the “**Obligor**”) and the Dealers named therein dated 20 March 2017 (as amended, supplemented or restated at the time of the Issue Date, the “**Dealer Agreement**”), or such other maximum aggregate face amount as increased in accordance with the terms of the Dealer Agreement.

The Certificates are constituted by a master declaration of trust dated 20 March 2017 between the Trustee, the Obligor and Citibank, N.A., London Branch as the Trustee’s delegate (the “**Delegate**”, which expression shall include all persons for the time being the delegate or delegates under the Declaration of Trust) (as amended, supplemented or restated at the time of the Issue Date, the “**Master Declaration of Trust**”) as supplemented by a supplemental declaration of trust entered into on or before the date of issue of the relevant Certificates (the “**Issue Date**”) in respect of the relevant Series (the “**Supplemental Declaration of Trust**” and, together with the Master Declaration of Trust, the “**Declaration of Trust**”).

An agency agreement (as amended, supplemented or restated as at the Issue Date, the “**Agency Agreement**”) dated 20 March 2017 has been entered into in relation to the Certificates between the Trustee, the Obligor, the Delegate, Citibank, N.A., London Branch as initial principal paying agent and transfer agent, Citigroup Global Markets Deutschland AG as initial registrar and the other agents named in it. The principal paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Principal Paying Agent**”, the “**Paying Agents**” (which expression shall include the Principal Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”, and together the “**Agents**”.

These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Declaration of Trust, which includes the form of Certificates referred to below, the Agency Agreement and the remaining Transaction Documents (as defined below). The Certificateholders are bound by, and are deemed to have notice of, all the provisions of the Declaration of Trust and those applicable to them in the remaining Transaction Documents.

Copies of the Transaction Documents are available for inspection and collection during usual business hours at the principal office of the Delegate and at the specified office of the Principal Paying Agent.

Each initial Certificateholder (as defined below), by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Trustee, on behalf of the Certificateholders: (a) to apply the proceeds of the issue of the Series (the “**Proceeds**”) in an amount equal to the Wakala Percentage (as defined

below) of the Proceeds to acquire all Interests (as defined below) in the Initial Asset Portfolio (as defined below) (including the rights to receive any payments or other distributions made in respect thereof) pursuant to the Purchase Agreement (as defined below), and an amount equal to the Murabaha Percentage (as defined below) of the Proceeds in a commodity murabaha transaction pursuant to the Master Murabaha Agreement (as defined below) as supplemented by the relevant purchase agreements, letters and certificates in respect of such Series, (b) to enter into, and perform its obligations under and in connection with, each Transaction Document to which it is a party, subject to the provisions of the Declaration of Trust and these Conditions.

## 1 Interpretation

Unless defined herein or the context otherwise requires, capitalised words and expressions used but not defined herein or hereon shall have the meaning given to them in the Declaration of Trust and the Agency Agreement. In addition, for the purposes of these Conditions, the following expressions have the following meanings:

“**Asset Portfolio**” has the meaning given to it in the Service Agency Agreement;

“**Authorised Signatory**” has the meaning given to it in the Master Declaration of Trust;

“**Broken Amount**” means the amount specified as such hereon;

“**Business Day**” has the meaning given to it in Condition 7(h);

“**Calculation Amount**” means the amount specified as such hereon;

“**Cancellation Notice**” means a cancellation notice given pursuant to the terms of the Sale and Substitution Undertaking;

“**Cash and Cash Equivalents**” means, at any time:

- (a) cash in hand or on deposit with any acceptable bank;
- (b) certificates of deposit, maturing within one year after the relevant date of calculation, issued by an acceptable bank;
- (c) any investment in marketable obligations issued or guaranteed by (i) the government of the United States of America or the United Kingdom or by an instrumentality or agency of the government of the United States of America or the United Kingdom having an equivalent credit rating or (ii) the Government of Qatar, provided in the case of (ii) such obligations have a maturity of less than one year;
- (d) open market commercial paper:
  - (i) for which a recognised trading market exists;
  - (ii) issued in the United States of America or the United Kingdom;
  - (iii) which matures within one year after the relevant date of calculation; and
  - (iv) which has a credit rating of either A-1 by Standard & Poor’s or Fitch or P-1 by Moody’s Inc. or if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long term debt obligations, an equivalent rating; or
- (e) Sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an acceptable bank in each case, to which any member of the Group is beneficially entitled at that time and which is capable of being applied against Debt. An acceptable bank for this purpose is a commercial bank or

trust company which has a rating of BBB minus or higher by Standard & Poor's or Fitch or Baa3 or higher by Moody's Inc. or a comparable rating from a nationally recognised credit rating agency for its long term obligations;

“**Certificateholder**” or “**holder**” has the meaning given to it in Condition 2;

“**Certificateholder Put Exercise Notice**” has the meaning given to it in Condition 8(d);

“**Certificateholder Put Right**” means the right exercisable by Certificateholders pursuant to Condition 8(d);

“**Certificateholder Put Right Date**” means, in relation to any exercise of the Certificateholder Put Right, the date(s) specified as such hereon and which must (if this Certificate is a Floating Rate Certificate) be a Periodic Distribution Date;

“**Change of Control Event**” shall occur if at any time HH Sheikh Thani bin Abdullah Al-Thani (“**Sheikh Abdullah Al-Thani**”) and any member of his family (taken together) cease to own, directly or indirectly, in aggregate, more than 50 per cent. of the issued share capital of the Obligor or otherwise ceases to control, directly or indirectly, the Obligor. “**Control**” for these purposes shall be the power to appoint and/or remove all or the majority of the members of the Board of Directors or to control or have the power to control the affairs and policies of the Obligor (in each case whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise);

“**Change of Control Exercise Notice**” has the meaning given to it in Condition 8(e);

“**Change of Control Put Date**” shall be the date which is seven days after the expiry of the Change of Control Put Period;

“**Change of Control Put Event Notice**” has the meaning given to it in Condition 8(e);

“**Change of Control Put Period**” has the meaning give to it in Condition 8(e);

“**Change of Control Put Right**” means the right exercisable by Certificateholders pursuant to Condition 8(e);

“**Clean Up Call Right Dissolution Date**” has the meaning given to it in Condition 8(f);

“**Corporate Services Agreement**” means the corporate services agreement dated 20 April 2016 between the Trustee and the Trustee Administrator;

“**Day Count Fraction**” has the meaning given to it in Condition 7(h);

“**Debt**” means, on the relevant date, all Indebtedness to the extent it comprises indebtedness for the outstanding principal, capital or nominal amount and any fixed or minimum premium payable on prepayment or redemption of any indebtedness for or in respect of (a) moneys borrowed or raised but excluding all trade payables (as defined in the most recently available audited consolidated financial statements or interim condensed consolidated financial statements, as the case may be, of the Obligor), (b) any bond, note, loan stock, debenture or similar instrument, or (c) any acceptance, bill discounting, note purchase, factoring (to the extent that there is recourse to the Obligor or any of its Subsidiaries) facility;

“**Delegation**” has the meaning given to it in Condition 15(a);

“**Dispute**” has the meaning given to it in Condition 20(b);

“**Dissolution Date**” means, as the case may be:

- (a) the Scheduled Dissolution Date;
- (b) any Early Tax Dissolution Date;

- (c) any Optional Dissolution Date;
- (d) any Certificateholder Put Right Date;
- (e) any Change of Control Put Date;
- (f) any Dissolution Event Redemption Date;
- (g) any Clean Up Call Right Dissolution Date;
- (h) any Total Loss Event Dissolution Date; or
- (i) such other date as specified hereon for the redemption of Certificates and dissolution of the Trust in whole or in part prior to the Scheduled Dissolution Date;

“**Dissolution Distribution Amount**” means, in relation to each Certificate to be redeemed on the relevant Dissolution Date:

- (a) the sum of:
  - (i) the outstanding face amount of such Certificate; and
  - (ii) any due and unpaid Periodic Distribution Amounts for such Certificate; or
- (b) (in the case of an exercise of the Optional Dissolution Right pursuant to Condition 8(c)) if so specified hereon, the Make-Whole Dissolution Amount in respect of such Certificate; or
- (c) such other amount specified hereon as being payable upon any Dissolution Date;

“**Dissolution Event**” means a Trustee Event or an Obligor Event;

“**Dissolution Event Redemption Date**” has the meaning given to it in Condition 12(a);

“**Dissolution Notice**” has the meaning given to it in Condition 12(a);

“**Early Tax Dissolution Date**” has the meaning given to it in Condition 8(b);

“**EBITDA**” means, in respect of any Relevant Period, the consolidated net pre-taxation profits of the Group for such Relevant Period as adjusted by:

- (a) adding back all Finance Costs;
- (b) taking no account of any exceptional or extraordinary item;
- (c) adding back any amount attributable to non-controlling interests;
- (d) adding back depreciation and amortisation; and
- (e) taking no account of any revaluation of an asset or any loss or gain over book value arising on the disposal of an asset (other than the ordinary course of trading) by a member of the Group during the Relevant Period, and:
  - (i) excluding the net pre-taxation profits of a member of the Group or business or assets acquired during that Relevant Period for the part of that Relevant Period when it was not a member of the Group and/or the business or assets were not owned by a member of the Group; but
  - (ii) including the net pre-taxation profits attributable to any member of the Group or to any business or assets sold during that Relevant Period for the part of that Relevant Period when it was a member of the Group and/or the business or assets were owned by a member of the Group;

“**Equity**” means, on the relevant date, the sum of the amount for the time being paid up on the Group’s issued share capital and the amount standing to the credit of the Group’s consolidated capital and revenue reserves (including legal reserve, fair value reserve and retained earnings but excluding foreign currency translation reserve), after excluding any dividend or other distribution declared or made;

“**Excluded Representations**” means any representations given by the Obligor to the Trustee and/or the Delegate pursuant to the Transaction Documents;

“**Exercise Notice**” means an exercise notice given pursuant to the terms of the Purchase Undertaking and/or the Sale and Substitution Undertaking (as the case may be);

“**Extraordinary Resolution**” has the meaning given to it in the Declaration of Trust;

“**Finance Costs**” means, in respect of any Relevant Period, the aggregate amount of the accrued profit, commission, interest, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Indebtedness paid or payable by any member of the Group (calculated on a consolidated basis) in cash in respect of that Relevant Period including any up-front fees or costs;

“**Finance Costs Coverage Ratio**” means the ratio of EBITDA to Net Finance Costs;

“**Finance Lease**” means any lease or hire purchase contract which would, in accordance with generally accepted accounting principles, be treated as a finance or capital lease;

“**Financial Indebtedness**” means all obligations, and guarantees or indemnities in respect of obligations, for moneys borrowed or raised (whether or not evidenced by bonds, debentures, notes or other similar instruments) or any Shariah compliant alternative of the foregoing other than any such obligations, guarantees or indemnities owing or given by one member of the Group to another member of the Group;

“**Fitch**” means Fitch Ratings Ltd;

“**Fixed Amount**” means the amount specified as such hereon;

“**Fixed Rate Certificates**” means a Series in respect of which Fixed Amounts are specified as applicable hereon;

“**Floating Rate Certificates**” means a Series in respect of which Floating Periodic Distribution Amounts are specified as applicable hereon;

“**Full Reinstatement Value**” has the meaning given to it in the Service Agency Agreement;

“**Group**” means the Obligor and its Subsidiaries;

“**Indebtedness**” means any present or future indebtedness of the Group (or any member thereof) (including, for the avoidance of doubt, any such indebtedness which is (or is intended to be) in compliance with the principles of Shariah, whether entered into directly or indirectly by the Group or any member thereof) for or in respect of moneys borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any amounts raised by any acceptance under any acceptance credit or bill discount facility (or dematerialised equivalent);
- (c) any amounts raised by any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) any amount of any liability in respect of any Finance Lease;

- (e) amounts raised by receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (g) any amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question;
- (h) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing; and
- (i) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (j) above;

“**Initial Asset Portfolio**” has the meaning given to it in the Master Purchase Agreement;

“**Interests**” has the meaning given to it in the Master Purchase Agreement;

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon;

“**Liability**” means any loss, damage, cost, charge, claim, demand, expense, fee, judgment, action, proceeding or other liability whatsoever (including, without limitation in respect of taxes, duties, levies, imposts and other charges) and including any value added tax or similar tax charged or chargeable in respect thereof and legal or other fees and expenses on a full indemnity basis and references to “**Liabilities**” shall mean all of these;

“**Make-Whole Dissolution Amount**” means the greater of:

- (a) the outstanding face amount of the Certificate to be redeemed together with Periodic Distribution Amounts accrued to (but excluding) the Optional Dissolution Date in respect of such Certificate; and
- (b) the amount equal to the sum of the net present value of the then remaining scheduled payments of principal and periodic distribution amounts (but excluding that portion of any scheduled payment of periodic distribution amounts that is actually due and paid on the Optional Dissolution Date) in respect of the Certificate discounted to such Optional Dissolution Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate for the Certificate plus 50 basis points,

all to be determined by an independent financial adviser selected and appointed by the Trustee after consultation with the Delegate;

“**Master Murabaha Agreement**” means the master murabaha agreement dated 20 March 2017 between the Trustee (in its capacity as seller) and Ezdan (in its capacity as buyer), as amended, supplemented or restated at the time of the Issue Date;

“**Master Purchase Agreement**” means the master purchase agreement dated 20 March 2017 between the Trustee (in its capacity as purchaser) and Ezdan (in its capacity as seller), as amended, supplemented or restated at the time of the Issue Date;



“**Material Subsidiary**” means at any relevant time a Subsidiary of the Obligor:

- (a) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total income (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than ten per cent. of the consolidated total assets, or, as the case may be, the consolidated total income of the Obligor and its Subsidiaries taken as a whole, all as calculated respectively by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated financial statements of the Obligor, provided that, in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Obligor relate for the purpose of applying each of the foregoing tests, the reference to the Obligor’s latest audited consolidated financial statements shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors of the Obligor for the time being after consultation with the Obligor; or
- (b) to which is transferred all or substantially all of the business, undertaking and assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (A) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (B) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary, shall be determined pursuant to the provisions of paragraph (a) above; or
- (c) to which is transferred an undertaking or assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) which, taken together with the undertaking or assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) of the transferee Subsidiary, represent (or, in the case of the transferee Subsidiary being acquired after the end of the financial period to which the then latest audited consolidated accounts of the Obligor relate, are equal to) not less than ten per cent. of the consolidated total assets of the Obligor and its Subsidiaries taken as a whole, all as calculated as referred to in paragraph (a) above, provided that the transferor Subsidiary (if a Material Subsidiary) shall upon such transfer forthwith cease to be a Material Subsidiary unless immediately following such transfer its undertaking and assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent (or, in the case aforesaid, are equal to) not less than ten per cent. of the consolidated total assets of the Obligor and its Subsidiaries taken as a whole, all as calculated as referred to in paragraph (a) above, and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this paragraph (c) on the date on which the consolidated accounts of the Obligor for the financial period current at the date of such transfer have been prepared and audited but so that such transferor Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of paragraph (a) above or, prior to or after such date, by virtue of any other applicable provision of this definition.

A Certificate addressed to the Delegate signed by two directors of the Obligor certifying that in their opinion a Subsidiary is or is not or was or was not at any particular time or during a particular period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

“**Moody’s Inc.**” means Moody’s Investors Service, Inc.;

“**Murabaha Percentage**” means the percentage specified hereon which shall be no more than 49 per cent.;

“**Net Debt**” means at any time Debt less Cash and Cash Equivalents;

“**Net Finance Costs**” means at any time Finance Costs less the aggregate of profit on Islamic bank accounts and interest income and other financing charges received or receivable by the Group from conventional bank accounts;

“**Non-recourse Project Financing**” means any financing of all or part of the costs of the acquisition, construction or development or any project, provided that (i) any Security Interest given by the Trustee, the Obligor or the relevant Subsidiary, as the case may be, is limited solely to assets of the project; (ii) the person providing such financing expressly agrees to limit its recourse to the project financed and the revenues derived from such project as the principal source of repayment for the moneys advanced; and (iii) there is no other recourse to Trustee, the Obligor or the relevant Subsidiary, as the case may be, in respect of any default by any person under the financing;

“**Obligor Clean Up Call Right**” means the right exercisable by the Trustee at the request of the Obligor pursuant to Condition 8(f);

“**Obligor Event**” means any of the following events (but in the case of any event described in paragraph (b) below or (other than the occurrence of any such event in relation to the Obligor) (d), (e) and (g) below), only if the Delegate shall have certified in writing to the Trustee and the Obligor that such event is, in its opinion, materially prejudicial to the interests of the Certificateholders):

- (a) **Non-payment:** the Obligor (acting in any capacity) fails to pay an amount in the nature of principal or profit payable by it pursuant to any Transaction Document to which it is a party and the failure continues for a period of seven calendar days in the case of principal or 14 calendar days in the case of payments in the nature of profit; or
- (b) **Breach of Other Obligations:** the Obligor (acting in any capacity) fails to perform, comply or observe any of its other obligations under the Transaction Documents to which it is a party which default is, in the opinion of the Delegate, incapable of remedy or, if in the opinion of the Delegate is capable of remedy, is not in the opinion of the Delegate remedied within 30 calendar days after written notice of such default shall have been given to the Obligor by the Trustee (or the Delegate acting on behalf of the Trustee) requiring the same to be remedied except that the failure by the Obligor (acting in its capacity as Service Agent) to comply with its obligations set out in clauses 4.2 and 4.4 and sub-clause 5.2.2 of the Service Agency Agreement will not constitute an Obligor Event; or
- (c) **Cross-Default:** (i) the holders of any Financial Indebtedness of the Obligor or any of its Material Subsidiaries accelerate such Financial Indebtedness or declare such Financial Indebtedness to be due and payable or required to be prepaid (other than by a regularly scheduled required prepayment in accordance with the terms of such Financial Indebtedness or pursuant to an option granted to the holders by the terms of such Financial Indebtedness), prior to the stated maturity thereof; or (ii) the Obligor or any of its Material Subsidiaries fails to make any payment in respect of any of its Financial Indebtedness on the due date for payment (including within any originally applicable grace period); provided that no event described in this subparagraph (c) shall constitute an Obligor Event unless such Financial Indebtedness of the Obligor and its Material Subsidiaries, due and unpaid, either alone or when aggregated (without duplication) with other amounts of Financial Indebtedness of the Obligor and its Material Subsidiaries due and unpaid in respect of all (if any) other events specified in (i) and (ii) above, amounts to at least U.S.\$35,000,000 (or its equivalent in any other currency); or
- (d) **Insolvency:** the Obligor or any of its Material Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, suspends, ceases or threatens to suspend or cease to carry on the whole or substantially all of its business, or the Obligor or any of its Material

Subsidiaries suspends, stops or threatens to suspend or stop payment of, or admits inability to, pay its debts (or any class of its debts) as they fall due, or the Obligor or any of its Material Subsidiaries (or any of their respective directors or shareholders) initiates or consents to judicial proceedings relating to the Obligor or any Material Subsidiary (as applicable) under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) save in each case for the purposes of a Permitted Reorganisation; or

- (e) **Winding-up:** an administrator is appointed, any order is made by any competent court or a shareholders' resolution is passed for the winding-up or dissolution of the Obligor or any of its Material Subsidiaries or the Obligor shall apply or petition for a winding-up or administration order in respect of itself save in each case for the purposes of a Permitted Reorganisation; or
- (f) **Unsatisfied Judgment:** one or more judgments, orders or decrees of any court, arbitral or regulatory or administrative agency for the payment of any sum in excess of U.S.\$35,000,000 (or its equivalent in any currency or currencies), either individually or in aggregate, is rendered against the Obligor or any of its Material Subsidiaries or any of their respective properties and continues unsatisfied, unstayed and un-appealed for a period of 30 calendar days after the date thereof or, if later, the date therein specified for payment (or, if appealed, the appeal is unsuccessful and thereafter the judgment continues unsatisfied and un-stayed for a period of 30 calendar days); or
- (g) **Enforcement Proceedings:** proceedings are initiated against the Obligor or any of its Material Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of a receiver, manager, administrator or other similar official (and such proceedings are not being actively and reasonably contested by the Obligor or the relevant Material Subsidiary, as the case may be), in relation to the Obligor or any of its Material Subsidiaries or, as the case may be, in relation to all or substantially all of the undertaking or assets of the Obligor or any of its Material Subsidiaries or an encumbrancer takes possession of all or substantially all of the undertaking or assets of the Obligor or any of its Material Subsidiaries, or a distress, execution, attachment, sequestration or other legal process is levied, enforced upon, sued out or put in force against all or substantially all of the undertaking or assets of the Obligor or any of its Material Subsidiaries, and in any such case (other than the appointment of an administrator) is not discharged within 30 calendar days.
- (h) **Analogous Events:** any event occurs which, under the laws of Qatar or any other jurisdiction in which the Obligor has operations has an analogous effect to any of the events referred to in paragraphs (d), (e) or (h); or
- (i) **Illegality or Invalidity:** it is or will become unlawful for the Obligor to perform or comply with any of its obligations under or in respect of the Transaction Documents to which it is a party or any of the obligations of the Obligor (acting in any capacity) under or in respect of the Transaction Documents are not or cease to be legal, valid, binding or enforceable;

**“Optional Dissolution Date”** means, in relation to any exercise of the Optional Dissolution Right, the date(s) specified as such hereon and which must (if the Certificate is a Floating Rate Certificate) be a Periodic Distribution Date.

**“Optional Dissolution Right”** means the right exercisable by the Trustee upon instruction from the Obligor pursuant to Condition 8(c);

“**outstanding**” shall have the meaning given to it in the Declaration of Trust;

“**Periodic Distribution Amount**” has the meaning given to it in Condition 7;

“**Periodic Distribution Date**” means the date or dates specified as such hereon;

“**Periodic Distribution Period**” means the period beginning on and including the Profit Commencement Date and ending on but excluding the first Periodic Distribution Date and each successive period beginning on and including a Periodic Distribution Date and ending on but excluding the next succeeding Periodic Distribution Date unless otherwise specified hereon;

“**Permitted Reorganisation**” means;

- (a) any winding-up or dissolution of a Material Subsidiary whereby the business, undertaking or assets of that Material Subsidiary are transferred to or otherwise vested in the Obligor and/or any of the Obligor’s other Subsidiaries; or (ii) any winding-up or dissolution of the Obligor whereby the business, undertaking or assets of the Obligor are transferred to or otherwise vested in one of its Subsidiaries, provided that, in the case of (ii) only, at the same time or prior to any such transfer or vesting, all amounts payable by the Obligor under each Transaction Document to which it is a party have been assumed by such other Subsidiary on terms previously approved by an Extraordinary Resolution; or
- (b) any composition or other similar arrangement on terms previously approved by an Extraordinary Resolution;

“**Permitted Security Interest**” means:

- (a) any Security Interest securing Relevant Indebtedness or Relevant Sukuk Obligation of a Person and/or its subsidiaries existing at the time that such Person is merged into, or consolidated with, or acquired by the Obligor or a Material Subsidiary, provided that such Security Interest was not created in contemplation of such merger, consolidation or acquisition and does not extend to any other assets or property of the Obligor and provided that the maximum amount of Relevant Indebtedness or Relevant Sukuk Obligation thereafter secured by such Security Interest does not exceed the purchase price of such assets or property or the Relevant Indebtedness or Relevant Sukuk Obligation incurred solely for the purpose of financing the acquisition of such assets or property;
- (b) any Security Interest existing on any assets prior to the acquisition thereof by the Obligor and not created in contemplation of such acquisition; or
- (c) any renewal of or substitution for any Security Interest permitted by paragraphs (a) or (b) of this definition, provided that with respect to any such Security Interest the principal amount secured has not increased and the Security Interest has not been extended to any additional assets (other than the proceeds of such assets);

“**Person**” means any individual, company, unincorporated association, government, state agency, international organisation or other entity;

“**Potential Dissolution Event**” means any condition, circumstance, event or act which, with the giving of notice, lapse of time, declaration, demand, determination or fulfilment of any other applicable condition (or any combination of the foregoing) could constitute a Dissolution Event;

“**Proceedings**” has the meaning given to it in Condition 19(e)(iii);

“**Profit Amount**” means:

- (a) in respect of a Return Accumulation Period, the amount of profit payable per Calculation Amount for that Return Accumulation Period and which, in the case of Fixed Rate Certificates, unless otherwise specified hereon, shall mean the Fixed Amount or Broken Amount specified hereon as being payable on the Periodic Distribution Date ending the Periodic Distribution Period of which such Return Accumulation Period forms part; and
- (b) in respect of any other period, the amount of profit payable per Calculation Amount for that period;

“**Profit Commencement Date**” means the Issue Date or such other date as may be specified hereon;

“**Profit Period Date**” means each Periodic Distribution Date unless otherwise specified hereon;

“**Profit Rate**” means the profit rate payable from time to time in respect of the Certificates and that is either specified hereon or calculated or determined in accordance with the provisions hereof;

“**Profit Rate Determination Date**” means, with respect to a Profit Rate and Return Accumulation Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Return Accumulation Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Return Accumulation Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Return Accumulation Period if the Specified Currency is euro;

“**Purchase Agreement**” means in respect of a Series, the Master Purchase Agreement as supplemented by the Supplemental Purchase Agreement for such Series;

“**Purchase Undertaking**” means the purchase undertaking dated 20 March 2017 and granted by Ezdan (in its capacity as Obligor) in favour of the Trustee and the Delegate, as amended, supplemented or restated at the time of the Issue Date;

“**Qatar**” means the State of Qatar;

“**Record Date**” has the meaning given to it in Condition 9(a);

“**Reference Banks**” means four major banks selected by the Calculation Agent in the inter-bank market that is most closely connected with the Reference Rate;

“**Reference Rate**” means one of the following benchmark rates (specified hereon) in respect of the currency and period specified hereon:

- (a) LIBOR;
- (b) EURIBOR;
- (c) KIBOR;
- (d) SHIBOR;
- (e) HIBOR;
- (f) KLIBOR;
- (g) TRLIBOR or TRYLIBOR;
- (h) SIBOR;

- (i) EIBOR;
- (j) TIBOR; and
- (k) SAIBOR;

“**Register**” has the meaning given to it in Condition 2;

“**Relevant Date**” has the meaning given to it in Condition 10;

“**Relevant Financial Centre**” means the Financial Centre specified as such hereon, and if no such financial centre is specified, the financial centre most closely connected with the relevant Reference Rate;

“**Relevant Indebtedness**” means any indebtedness, other than Indebtedness incurred in connection with a Non-recourse Project Financing or a Securitisation, which is in the form of, or represented or evidenced by, any bonds, notes, debentures, debenture stock, loan stock, certificate or other instrument which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

“**Relevant Jurisdiction**” means:

- (a) in the case of the Trustee, the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax; or
- (b) in the case of the Obligor, Qatar or any political subdivision or any authority thereof or therein having the power to tax;

“**Relevant Period**” means a period of 12 months ending on the last day of the most recently completed financial quarter of the Obligor;

“**Relevant Powers**” has the meaning given to it in Condition 15(a);

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service);

“**Relevant Sukuk Obligation**” means any present or future undertaking or other obligation to pay any money, other than any undertaking or obligation incurred in connection with a Non-recourse Project Financing or a Securitisation, given in connection with any issue of trust certificates or other securities issued in connection with any Islamic financing, whether or not in return for consideration of any kind, which for the time being are, or are intended to be, or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

“**Relevant Time**” means the time specified as such hereon;

“**Return Accumulation Period**” means the period beginning on (and including) the Profit Commencement Date and ending on (but excluding) the first Profit Period Date and each successive period beginning on (and including) a Profit Period Date and ending on (but excluding) the next succeeding Profit Period Date, unless otherwise specified hereon;

“**Sale and Substitution Undertaking**” means the sale and substitution undertaking dated 20 March 2017 and granted by the Trustee in favour of the Obligor and includes the form of sale agreement to be entered into in accordance with the terms of the Sale and Substitution Undertaking, as amended, supplemented or restated at the time of the Issue Date;

“**Scheduled Dissolution Date**” means the date specified as such hereon;

“**Securitisation**” means any securitisation of existing or future assets and/or revenues, provided that (i) any Security Interest given by the Trustee or the Obligor or any of their respective Subsidiaries, as the case may be, in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the principal source of repayment for the money advanced or payment of any other liability; and (iii) there is no other recourse to the Trustee or the Obligor or the relevant Subsidiary, as the case may be, in respect of any default by any person under the securitisation;

“**Security Interest**” has the meaning given to it in Condition 6(b)(i);

“**Series**” means a series of Certificates which are identical in all respects;

“**Service Agency Agreement**” means the service agency agreement dated 20 March 2017 and entered into between the Trustee and the Obligor (in its capacity as service agent for and on behalf of the Trustee), as amended, supplemented or restated at the time of the Issue Date;

“**Specified Currency**” means the currency specified as such hereon or, if none is specified, the currency in which the Certificates are denominated;

“**Specified Denominations**” means the amount(s) specified as such hereon;

“**Standard & Poor’s**” means Standard & Poor’s Rating Services, a division of the McGraw Hill Companies Inc.;

“**Subsidiary**” means, in relation to the Obligor, any company (i) in which the Obligor holds a majority of the voting rights, (ii) in which the Obligor directly or indirectly has the right (howsoever arising) to appoint or remove a majority of the board of directors or other governing body, (iii) in which the Obligor controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Obligor, (iv) that is accounted for in the Obligor’s consolidated financial statements or (v) which the Obligor otherwise directly or indirectly controls or otherwise has the power to, directly or indirectly, control the affairs and/or policies of such company;

“**Sukuk Obligation**” means any present or future undertaking or other obligation to pay any money given in connection with the issue of trust certificates or other capital markets instruments intended to be issued in compliance with principles of Shariah whether or not in return for consideration of any kind;

“**Tangible Net Worth**” means, at any time, the aggregate of:

- (a) the amounts paid up or credited as paid up on the issued share capital of the Group; and
- (b) the amount standing to the credit of the consolidated capital and revenue reserves (including legal reserve, fair value reserve, foreign currency translation reserve and retained earnings) of the Group,

in each case based on the latest audited consolidated balance sheet of the Group (the “**latest balance sheet**”) but adjusted by:

- (i) adding any amount standing to the credit of the profit and loss account of the Group for the period ending on the date of the latest balance sheet to the extent not included in paragraph (b) above;
- (ii) adding any amount attributable to non-controlling interests;
- (iii) reflecting any variation in the amount of the issued share capital of the Group and the consolidated capital and revenue reserves of the Group after the date of the latest balance sheet;
- (iv) deducting any amount standing to the debit of the profit and loss account of the Group for the period ending on the date of the latest balance sheet to the extent not included in paragraph (b) above;

- (v) deducting any amount attributable to interests of any other Group members;
- (vi) deducting any reserves set aside for taxation, deferred taxation or bad debts; and
- (vii) deducting any dividend or other distribution declared or made by the Group;

“**TARGET Business Day**” has the meaning given to it in Condition 7(h);

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

“**Tax Event**” has the meaning given to it in Condition 8(b);

“**Total Loss Event**” means, in respect of each Series (i) the total destruction of, or damage to all of, the Wakala Assets which constitute the Wakala Portfolio relating to that Series or any event or occurrence which renders all of the Wakala Assets relating to that Series permanently unfit for any economic use and (but only after taking into consideration the proceeds of any insurances or other indemnity granted by any third party in respect of such Wakala Assets) the repair or remedial work in respect thereof is wholly uneconomical; or (ii) the occurrence of any expropriation, nationalisation, requisition, confiscation, attachment, sequestration or execution of any legal process in respect of all of the Wakala Assets relating to that Series;

“**Total Loss Event Dissolution Date**” has the meaning given to it in Condition 8(h);

“**Total Loss Shortfall Amount**” has the meaning given to it in the Service Agency Agreement;

“**Transaction Account**” means the Transaction Account specified as such hereon;

“**Transaction Documents**” means, in relation to each Series:

- (a) the relevant Certificates;
- (b) the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust;
- (c) the Agency Agreement;
- (d) the Master Purchase Agreement as supplemented by the relevant Supplemental Purchase Agreement;
- (e) the Master Murabaha Agreement (together with the Purchase Order, the Letter of Offer and Acceptance and all other offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Series);
- (f) the Service Agency Agreement;
- (g) the Sale and Substitution Undertaking (together with each relevant sale agreement executed upon exercise of the Sale and Substitution Undertaking);
- (h) the Purchase Undertaking (together with each relevant sale agreement executed upon exercise of the Purchase Undertaking); and
- (i) any additional documents specified hereon,

each as may be amended, restated and/or supplemented from time to time;

“**Treasury Rate**” means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) (a “**Statistical Release**”) which has become publicly available at least two Business Days (as defined in Condition 7(h)) (but not more than five Business Days) prior to the relevant Optional Dissolution Date (or if such Statistical Release is not so published or available, any publicly available source of similar



market data selected by the Obligor in good faith)) most nearly equal to the period from the Optional Dissolution Date to the Scheduled Dissolution Date; provided, however, that if the period from the Optional Dissolution Date to the Scheduled Dissolution Date is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the Optional Dissolution Date to the Scheduled Dissolution Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used;

“**Trust**” means, in respect of a Series, the trust created by the Trustee over the Trust Assets pursuant to the Declaration of Trust;

“**Trust Assets**” has the meaning given to it in Condition 5(a);

“**Trustee Administrator**” means MaplesFS Limited;

“**Trustee Event**” means any of the following events:

- (a) **Non-Payment:** default is made in the payment of any Dissolution Distribution Amount or any Periodic Distribution Amount on the date fixed for payment thereof and the default continues for a period of seven calendar days in the case of any Dissolution Distribution Amount or 14 calendar days in the case of any Periodic Distribution Amount; or
- (b) **Breach of Other Obligations:** the Trustee does not perform, comply with or observe any one or more of its other duties, obligations or undertakings in respect of the Transaction Documents which default is, in the opinion of the Delegate, incapable of remedy, or, if in the opinion of the Delegate is capable of remedy is not, in the opinion of the Delegate, remedied within the period of 30 calendar days after written notice of such default shall have been given by the Delegate to the Trustee requiring the same to be remedied; or
- (c) **Enforcement Proceedings:** any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Trustee and is not discharged or stayed within 30 days; or
- (d) **Insolvency:** the Trustee is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or any part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Trustee; or
- (e) **Winding-up:** an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Trustee, or the Trustee shall apply or petition for a winding-up or administration order in respect of itself or cease or through an official action of its board of directors threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by an Extraordinary Resolution of the Certificateholders or the Delegate; or
- (f) **Illegality:** it is or will become unlawful for the Trustee to perform or comply with any one or more of its duties, obligations and undertakings under any of the Certificates or the Transaction Documents or any duties, obligations or undertakings of the Trustee under the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or

- (g) **Analogous Events:** any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) and (e) above.

For the purpose of paragraph (a) of this definition above, all amounts payable in respect of the Certificates shall be considered due and payable (including any amounts expressed to be payable under Condition 7) notwithstanding that the Trustee has at the relevant time insufficient funds or relevant Trust Assets to pay such amounts (whether as a result of the application of Condition 5(b) or otherwise);

“**Wakala Asset**” has the meaning given to it in the Master Purchase Agreement;

“**Wakala Percentage**” means the percentage specified hereon which shall be no less than 51 per cent.;

“**Wakala Portfolio**” has the meaning given to it in the Service Agency Agreement; and

“**Wakala Portfolio Revenues**” has the meaning given to it in the Service Agency Agreement.

All references to the “face amount” of a Certificate shall be deemed to include the relevant Dissolution Distribution Amount, any additional amounts (other than relating to Periodic Distribution Amounts) which may be payable under Condition 10 and any other amount in the nature of face amounts payable pursuant to these Conditions.

All references to “Periodic Distribution Amounts” shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 10 and any other amount in the nature of a profit distribution payable pursuant to these Conditions.

All references to “**U.S.\$**”, “**U.S. dollars**” and “**\$**” and to “**QR**” are to the lawful currencies of the United States of America and Qatar, respectively.

All references to “**ISDA**” and related terms are only included for the purposes of benchmarking.

## 2 **Form, Denomination and Title**

The Certificates are issued in registered form in the Specified Denomination(s) shown hereon. The Certificates may be Fixed Rate Certificates, Floating Rate Certificates or a combination of the foregoing, depending on the profit basis specified hereon.

Certificates are represented by registered certificates and, save as provided in Condition 3(a), each Certificate shall represent the entire holding of Certificates by the same holder.

Title to the Certificates shall pass by registration in the register that the Trustee shall procure to be kept by the Registrar outside the United Kingdom in accordance with the provisions of the Agency Agreement (the “**Register**”). Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the registered holder of any Certificate shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder. The registered holder of a Certificate will be recognised by the Trustee as entitled to his Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Certificate.

In these Conditions, “**Certificateholder**” or “**holder**” means the person in whose name a Certificate is registered and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Certificates.

Upon issue, the Certificates will be represented by a Global Certificate which will be deposited with, and registered in the name of a nominee for, a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”). Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants. The Conditions are modified by certain provisions contained in the Global Certificate.

Except in limited circumstances, owners of interests in the Global Certificate will not be entitled to receive definitive Certificates representing their holdings of Certificates. See “*Summary of Provisions Relating to the Certificates while in Global Form*”.

### 3 Transfers

- (a) **Transfer of Certificates:** Subject to Condition 3(e), one or more Certificates may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the certificate representing such Certificates to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Trustee), duly completed and executed and any other evidence as the Registrar or the relevant Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Certificates represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Certificates to a person who is already a holder of Certificates, a new certificate representing the enlarged holding shall only be issued against surrender of the certificate representing the existing holding. All transfers of Certificates and entries on the Register will be made subject to the detailed regulations concerning transfers of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Trustee, with the prior written approval of the Registrar and the Delegate or by the Registrar with the prior written approval of the Delegate. A copy of the current regulations will be made available by the Registrar to any Certificateholder upon request.
- (b) **Exercise of Early Dissolution Rights or Partial Dissolution in Respect of Certificates:** In the case of an exercise of the Obligor’s or the Certificateholders’ early dissolution right in respect of, or a partial redemption of, a holding of Certificates represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such early dissolution right or in respect of the balance of the holding for which no payment was made. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent.
- (c) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 3(a) or (b) shall be available for delivery within five business days of receipt of the form of transfer, Certificateholder Put Exercise Notice or Change of Control Exercise Notice and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Certificateholder Put Exercise Notice or Change of Control Exercise Notice and surrender of such Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Certificateholder Put Exercise Notice, Change of Control Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance or takaful as it may specify. In

this Condition 3(c), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (d) **Transfers Free of Charge:** Transfers of Certificates on registration, transfer, exercise of an early dissolution right or partial dissolution shall be effected without charge by or on behalf of the Trustee, the Registrar or the Transfer Agents, except that the Trustee may require payment of a sum to it to cover any stamp duty, tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security as the Registrar or the relevant Transfer Agent may require).
- (e) **Closed Periods:** No Certificateholder may require the transfer of a Certificate to be registered (i) during the period of 15 days ending on (and including) the due date for payment of any Dissolution Distribution Amount or Periodic Distribution Amount or any other date on which any payment of the face amount or payment of any profit in respect of that Certificate falls due, (ii) during the period of 15 days before any date on which Certificates may be called for redemption pursuant to Condition 8(c), (iii) after any Certificate has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

#### 4 Status

- (a) **Status of Certificates:** The Certificates represent an undivided ownership interest in the relevant Trust Assets and are limited recourse obligations of the Trustee. Each Certificate will constitute unsecured obligations of the Trustee and shall at all times rank *pari passu* and without any preference or priority with all other Certificates.

The payment obligations of the Obligor (in any capacity) to the Trustee under the Transaction Documents in respect of each Series of Certificates are direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 6(b)(i)) unsecured obligations of the Obligor and shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 6(b)(i), at all times rank at least equally with all other unsecured and unsubordinated obligations of the Obligor, present and future.

- (b) **Limited Recourse and Agreement of Certificateholders:** Save as provided in this Condition 4(b), the Certificates do not represent an interest in or obligation of any of the Trustee, the Delegate, the Obligor, any of the Agents or any of their respective affiliates.

The proceeds of the relevant Trust Assets are the sole source of payments on the Certificates of each Series. The net proceeds of the realisation of, or enforcement with respect to, the relevant Trust Assets may not be sufficient to make all payments due in respect of the Certificates. Certificateholders, by subscribing for or acquiring the Certificates, acknowledge and agree that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

- (i) no payment of any amount whatsoever shall be made by the Trustee or the Delegate or any of their respective directors, officers, employees or agents on their behalf except to the extent funds are available therefor from the relevant Trust Assets and further acknowledge and agree that no recourse shall be had for the payment of any amount due and owing hereunder or under any Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee or the Delegate to the extent that the relevant Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished;

- (ii) the Trustee may not sell, transfer, assign or otherwise dispose of the Wakala Portfolio to a third party, and may only realise its rights, title, interest, benefits and entitlements, present and future in the Wakala Portfolio in the manner expressly provided in the Transaction Documents;
- (iii) if the proceeds of the relevant Trust Assets are insufficient to make all payments due in respect of the Certificates, Certificateholders will have no recourse to any assets of the Trustee (and/or its directors, officers, shareholders or corporate service providers in their capacity as such) (other than the relevant Trust Assets in the manner and to the extent contemplated by the Transaction Documents), the Delegate or the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates, in respect of any shortfall or otherwise;
- (iv) no Certificateholders will be able to petition for, institute, or join with any other person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Trustee, the Delegate, the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates as a consequence of such shortfall or otherwise;
- (v) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee or the Delegate arising under or in connection with the Transaction Documents and/or these Conditions by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, employee, agent, director or corporate service provider of the Trustee or of the Delegate in their capacity as such. The obligations of the Trustee and the Delegate under the Certificates and the Transaction Documents are corporate or limited liability obligations of the Trustee and/or the Delegate, as the case may be, and no personal liability shall attach to or be incurred by the shareholders, members, officers, employees, agents, directors or corporate service providers of the Trustee and/or the Delegate (in their capacity as such), save in the case of the relevant party's actual fraud. Reference in these Conditions to actual fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party; and
- (vi) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Certificate. No collateral is or will be given for the payment obligations under the Certificates (without prejudice to the negative pledge provisions described in Condition 6(b)(i)).

Pursuant to the terms of the Transaction Documents, the Obligor is obliged to make payments under the relevant Transaction Documents to which it is a party directly to or to the order of the Trustee. Such payment obligations form part of the Trust Assets and the Trustee and the Delegate will thereby have direct recourse against the Obligor to recover payments due to the Trustee from the Obligor pursuant to such Transaction Documents notwithstanding any other provision of this Condition 4(b). Such right of the Trustee and the Delegate shall (subject to the negative pledge provisions described in Condition 6(b)(i)) constitute an unsecured claim against the Obligor. None of the Certificateholders, the Trustee or the Delegate shall be entitled to claim any priority right in respect of any specific assets of the Obligor in connection with the enforcement of any such claim.

## 5 The Trust

- (a) **Trust Assets:** Pursuant to the Declaration of Trust, the Trustee holds the Trust Assets for each Series upon trust absolutely for and on behalf of the Certificateholders of such Series *pro rata* according to

the face amount of Certificates held by each holder. The term “**Trust Assets**” in respect of each Series means the following:

- (i) the cash proceeds of the issue of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (ii) the Wakala Portfolio;
- (iii) the rights, title, interest, benefits and entitlements, present and future of the Trustee in the Transaction Documents (other than in relation to the Excluded Representations and the covenant given to the Trustee pursuant to Clause 17.1 of the Master Declaration of Trust);
- (iv) all moneys standing to the credit of the Transaction Account from time to time; and
- (v) all proceeds of (i) to (iv) above.

*See “Summary of the Principal Transaction Documents” appearing elsewhere in this Base Prospectus for more information on the Trust Assets and the Transaction Documents.*

- (b) **Application of Proceeds from Trust Assets:** On each Periodic Distribution Date and on any Dissolution Date, the Principal Paying Agent shall apply the moneys standing to the credit of the relevant Transaction Account in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):
  - (i) **first**, (to the extent not previously paid) to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate (including any amounts owing to the Delegate in respect of its Appointees (as defined in the Master Declaration of Trust) and to any receiver, manager or administrative receiver or any other analogous officer appointed in respect of the Trust by the Delegate in accordance with the Declaration of Trust;
  - (ii) **second**, only if such payment is due on or before a Periodic Distribution Date (to the extent not previously paid) to pay, *pro rata* and *pari passu*, (i) the Trustee in respect of all amounts owing to it under the Transaction Documents in its capacity as trustee; and (ii) the Trustee Administrator in respect of all amounts payable to it on account of its fees, costs, charges and expenses and the payment or satisfaction of any Liability incurred by the Trustee Administrator pursuant to the Corporate Services Agreement;
  - (iii) **third**, only if such payment is due on a Periodic Distribution Date, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;
  - (iv) **fourth**, only if such payment is due on a Dissolution Date, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of the relevant Dissolution Distribution Amount; and
  - (v) **fifth**, only on the Scheduled Dissolution Date (or any earlier date on which all the Certificates of the relevant Series are redeemed in full) and provided that all amounts required to be paid in respect of the Certificates of such Series hereunder have been discharged in full, in payment of any residual amount to the Obligor in its capacity as Service Agent as an incentive payment for its performance under the Service Agency Agreement.
- (c) **Transaction Account:** The Trustee will establish a Transaction Account in respect of each Series by no later than the relevant Issue Date. The Transaction Account shall be operated by the Principal Paying Agent on behalf of the Trustee for the benefit of Certificateholders and shall be the account into which

the Obligor will deposit all amounts payable by it to the Trustee pursuant to the terms of the Transaction Documents.

## 6 Covenants

- (a) **Trustee Covenants:** The Trustee covenants that, amongst other things, for so long as any Certificate is outstanding, it shall not (without the prior written consent of the Delegate):
- (i) incur any indebtedness in respect of financed, borrowed or raised money whatsoever (whether structured (or intended to be structured) in accordance with the principles of Shariah or otherwise), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;
  - (ii) secure any of its present or future indebtedness by any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) and other than under or pursuant to any of the Transaction Documents);
  - (iii) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of the Trust Assets except pursuant to any of the Transaction Documents;
  - (iv) amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof and as provided in Condition 14);
  - (v) except as provided in the Declaration of Trust, act as trustee in respect of any trust other than the Trust or in respect of any parties other than the Certificateholders;
  - (vi) have any subsidiaries or employees;
  - (vii) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
  - (viii) use the proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents;
  - (ix) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
  - (x) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or as expressly contemplated, permitted or required thereunder or engage in any business or activity other than:
    - (A) as contemplated, provided for or permitted in the Transaction Documents;
    - (B) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and
    - (C) such other matters which are incidental thereto.
- (b) **Obligor Covenants:** The Obligor undertakes that for so long as any Certificate remains outstanding:

- (i) **Negative Pledge:** it will not (and will procure that its Material Subsidiaries will not) create or permit to subsist any mortgage, charge, lien, pledge or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction (each a “**Security Interest**”), other than a Permitted Security Interest, upon, or with respect to, the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or Relevant Sukuk Obligation, or to secure any guarantee or indemnity given by it in respect of any Relevant Indebtedness or Relevant Sukuk Obligation, without (x) at the same time or prior thereto securing equally and rateably therewith its obligations under the Transaction Documents to which it is a party (in whatever capacity) or (y) providing such security for those obligations as either: (A) the Delegate shall in its absolute discretion deem not materially less beneficial to the interests of Certificateholders; or (B) shall be approved by an Extraordinary Resolution of the holders of the Certificates;
- (ii) **Financial Covenants:** it will ensure that:
- (A) at all times, its Tangible Net Worth is not less than QR 25,000,000,000 (or its equivalent in any other currency);
  - (B) the ratio of Net Debt to Equity at the end of each Relevant Period does not exceed 0.9:1;
  - (C) the ratio of Net Debt to EBITDA for each Relevant Period does not exceed 8:1; and
  - (D) the Finance Costs Coverage Ratio for each Relevant Period is not less than 2:1.

For the purposes of this Condition 6(b)(ii):

- (1) an accounting term used in this Condition 6(b)(ii) is to be construed in accordance with the principles applied in connection with the most recently produced audited consolidated financial statements or interim condensed consolidated financial statements, as the case may be, of the Obligor;
- (2) compliance with the undertakings in this Condition 6(b)(ii) shall be assessed by reference to the most recently produced audited consolidated financial statements or, if quarterly interim consolidated financial statements of the Obligor have been more recently produced than audited consolidated financial statements at the relevant time, such quarterly interim consolidated financial statements of the Obligor;
- (3) the reference to audited consolidated financial statements or interim condensed consolidated financial statements of the Obligor being produced shall be a reference to (i) in the case of audited consolidated financial statements, such consolidated financial statements having been audited by the Obligor’s external auditors and authorised for issue by or on behalf of the board of directors of the Obligor and (ii) in the case of interim condensed consolidated financial statements, such consolidated financial statements having been reviewed by the Obligor’s external auditors and authorised for issue by or on behalf of the board of directors of the Obligor;
- (4) any amount in a currency other than U.S.\$ is to be taken into account at its U.S.\$ equivalent calculated on the basis of:
  - (I) the Principal Paying Agent’s spot rate of exchange for the purchase of the relevant currency in the London foreign exchange market with U.S.\$ at or



about 11:00 a.m. (London time) on the day the relevant amount falls to be calculated; or

- (II) if the amount is to be calculated on the last day of a financial period of the Obligor, the relevant rates of exchange used by the Obligor in, or in connection with, its consolidated financial statements for that period; and
- (5) no item must be credited or deducted more than once in any calculation under this Condition 6(b)(ii).

With respect to covenants contained in this Condition 6(b)(ii), both (a) annually at the same time as the Obligor's annual audited consolidated financial statements and (b) as soon as reasonably practicable following a request by the Delegate (and in any event within 14 Business Days of such request), the Obligor will provide to the Delegate a certificate signed by two directors and/or an Authorised Signatory of the Obligor confirming compliance with this Condition 6(b)(ii) by the Obligor.

## 7 Periodic Distribution Amounts

- (a) **Fixed Rate Certificates:** Each Fixed Rate Certificate bears profit on its outstanding face amount from the Profit Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date. The amount of profit payable shall be determined in accordance with Condition 7(f). Each such amount of profit is referred to in these Conditions as a “**Periodic Distribution Amount**”. Periodic Distribution Amounts shall be distributed to Certificateholders by the Principal Paying Agent on behalf of the Trustee, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account and subject to Condition 5(b) and Condition 9.
- (b) **Floating Rate Certificates:**
  - (i) *Periodic Distribution Amounts and Periodic Distribution Dates:* Each Floating Rate Certificate bears profit on its outstanding face amount from the Profit Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date. The amount of profit payable shall be determined in accordance with Condition 7(f). Each such amount of profit is referred to in these Conditions as a “**Periodic Distribution Amount**”. Such Periodic Distribution Date(s) is/are either shown hereon as Specified Periodic Distribution Dates or, if no Specified Periodic Distribution Date(s) is/are shown hereon, Periodic Distribution Date shall mean each date which falls the number of months or other period shown hereon as the Return Accumulation Period after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Profit Commencement Date. Periodic Distribution Amounts shall be distributed to Certificateholders by the Principal Paying Agent on behalf of the Trustee, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account and subject to Condition 5(b) and Condition 9.
  - (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified hereon is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each

subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Profit Rate for Floating Rate Certificates*: The Profit Rate in respect of Floating Rate Certificates for each Return Accumulation Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Certificates

Where ISDA Determination is specified hereon as the manner in which the Profit Rate is to be determined, the Profit Rate applicable to the Certificates for each Return Accumulation Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” in relation to a Return Accumulation Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Return Accumulation Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Certificates

(x) Where Screen Rate Determination is specified hereon as the manner in which the Profit Rate is to be determined, the Profit Rate applicable to the Certificates for each Return Accumulation Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such other replacement page on that service which displays the information) at the Relevant Time on the Profit Rate Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the Relevant Time, subject as provided below, the Calculation Agent shall request the principal office in the Relevant Financial Centre of each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Profit Rate Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Profit Rate for such Return Accumulation Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Profit Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered at the Relevant Time on the relevant Profit Rate Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Relevant Financial Centre inter-bank market, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Profit Rate Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the Relevant Financial Centre inter-bank market, provided that, if the Profit Rate cannot be determined in accordance with the foregoing provisions of this paragraph (z), the Profit Rate shall be determined as at the last preceding Profit Rate Determination Date (though substituting, where a different Margin or Maximum Profit Rate or Minimum Profit Rate is to be applied to the relevant Return Accumulation Period from that which applied to the last preceding Return Accumulation Period, the Margin or Maximum Profit Rate or Minimum Profit Rate relating to the relevant Return Accumulation Period, in place of the Margin or Maximum or Minimum Profit Rate relating to that last preceding Return Accumulation Period).
- (c) **Linear Interpolation:** Where Linear Interpolation is specified hereon as applicable in respect of a Return Accumulation Period, the Profit Rate for such Return Accumulation Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Return Accumulation Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are

available next longer than the length of the relevant Return Accumulation Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means: (a) in relation to Screen Determination Date, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

- (d) **Entitlement to Profit:** Periodic Distribution Amounts shall cease to accumulate in respect of each Certificate on (a) any Dissolution Date (other than a Total Loss Event Dissolution Date) unless, upon due surrender, payment is improperly withheld or refused, in which event Periodic Distribution Amounts shall, subject to the terms of the Transaction Documents, continue to accumulate (both before and after judgment) at the Profit Rate in the manner provided in this Condition 7 to the earlier of (i) the Relevant Date; (ii) the date on which a sale agreement is executed and settled pursuant to the Sale and Substitution Undertaking or the Purchase Undertaking, as the case may be; and (b) a Total Loss Event Dissolution Date.
- (e) **Margin, Maximum Profit Rates / Minimum Profit Rates and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Return Accumulation Periods), an adjustment shall be made to all Profit Rates, in the case of (x), or the Profit Rates for the specified Return Accumulation Periods, in the case of (y), calculated in accordance with Condition 7(b) by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to paragraph (ii) below.
  - (ii) If any Maximum Profit Rate or Minimum Profit Rate is specified hereon, then any Profit Rate shall be subject to such maximum or minimum, as the case may be.
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a five or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.
- (f) **Calculations:** The amount of profit payable per Calculation Amount in respect of any Certificate for any Return Accumulation Period shall be equal to the product of the Profit Rate, the Calculation Amount specified hereon and the Day Count Fraction for such Return Accumulation Period, unless a Profit Amount (or a formula for its calculation) is specified hereon as being applicable to such Return Accumulation Period, in which case the amount of profit payable per Calculation Amount in respect of such Certificate for such Return Accumulation Period shall equal such Profit Amount (or be calculated in accordance with such formula). Where any Periodic Distribution Period comprises two or more Return Accumulation Periods, the amount of profit payable per Calculation Amount in respect of such Periodic Distribution Period shall be the sum of the Profit Amounts payable in respect of each of those Return Accumulation Periods. In respect of any other period for which profit is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which profit is required to be calculated.

- (g) **Determination and Publication of Profit Rates, Profit Amounts and Dissolution Distribution Amounts:** The Calculation Agent shall, as soon as practicable on each Profit Rate Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Profit Amounts for the relevant Return Accumulation Period, calculate the Dissolution Distribution Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Profit Rate and the Profit Amounts for each Return Accumulation Period and the relevant Periodic Distribution Date and, if required to be calculated, the relevant Dissolution Distribution Amount to be notified to the Delegate, the Trustee, the Obligor, each of the Paying Agents, the Certificateholders, any other Calculation Agent appointed in respect of the Certificates that is to make a further calculation upon receipt of such information and, if the Certificates are listed on a stock exchange and the rules of such exchange or other relevant authority so require, the Trustee shall notify such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Periodic Distribution Period, if determined prior to such time, in the case of notification to such exchange of a Profit Rate and Profit Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Periodic Distribution Date or Profit Period Date is subject to adjustment pursuant to Condition 7(b)(ii), the Profit Amounts and the Periodic Distribution Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Delegate by way of adjustment) without notice in the event of an extension or shortening of the Periodic Distribution Period. If the Certificates become due and payable under Condition 12, the accrued profit and the Profit Rate payable in respect of the Certificates shall nevertheless continue to be calculated as previously in accordance with this Condition 7 but no publication of the Profit Rate or the Profit Amount so calculated need be made unless the Delegate otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of gross negligence, wilful default, fraud or manifest error) be final and binding upon all parties.
- (h) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); and/or
- (iii) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in any Financial Centre(s) and each Additional Business Centre (other than TARGET System) specified hereon; and/or
- (iv) if TARGET System is specified as an Additional Business Centre hereon, a TARGET Business Day.

“**Day Count Fraction**” means, in respect of the calculation of an amount of profit on any Certificate for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Periodic Distribution Period or a Return Accumulation Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual - ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Scheduled Dissolution Date or (ii) such number would be 31, in which case D2 will be 30; and

- (viii) if “**Actual/Actual-ICMA**” is specified hereon:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Periodic Distribution Date(s).

- (i) **Calculation Agent:** The Trustee shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Certificate is outstanding. Where more than one Calculation Agent is appointed in respect of the Certificates, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Profit Rate for a Return Accumulation Period or to calculate any Profit Amount or Dissolution Distribution Amount, as the case may be, or to comply with any other requirement, the Trustee shall (with the prior approval of the Delegate) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 8 Redemption and Dissolution of the Trust

- (a) **Dissolution on the Scheduled Dissolution Date:** Unless previously redeemed, or purchased and cancelled, in full, as provided below, each Certificate shall be finally redeemed on the Scheduled Dissolution Date specified hereon at its Dissolution Distribution Amount and, following the payment of all such amounts in full, the Trust shall be dissolved by the Trustee.

- (b) **Early Dissolution for Taxation Reasons:**

If:

- (i) (A) the Trustee has or will become obliged to pay additional amounts as described under Condition 10 as a result of any change in, or amendment to, the laws or regulations of the Relevant Jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the relevant Issue Date, and (B) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or
- (ii) (A) the Obligor has or will become obliged to pay additional amounts to the Trustee pursuant to the terms of any Transaction Document as a result of any change in, or amendment to, the laws or regulations of the Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the relevant Issue Date, and (B) such obligation cannot be avoided by the Obligor taking reasonable measures available to it,

(the occurrence of an event described in Condition 8(b)(i) or (ii) being a “**Tax Event**”), the Obligor may in its sole discretion deliver to the Trustee a duly completed Exercise Notice in accordance with the provisions of the Sale and Substitution Undertaking and, on receipt of such notice, the Trustee shall, on giving not less than 30 nor more than 60 days’ notice to the Delegate and the Certificateholders (which notice shall be irrevocable) redeem the Certificates in whole, but not in part, on any Periodic Distribution Date (if this Certificate is a Floating Rate Certificate) or at any time (if this Certificate is a Fixed Rate Certificate) (such dissolution date being an “**Early Tax Dissolution**



**Date**”), at their Dissolution Distribution Amount, provided that no such notice of dissolution may be given earlier than 90 days prior to the earliest date on which the Trustee or the Obligor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Certificates (in the case of the Trustee) or to the Trustee pursuant to any Transaction Document (in the case of the Obligor) then due.

Prior to the publication of any notice of dissolution pursuant to this Condition 8(b), the Trustee or the Obligor, as the case may be, shall deliver to the Delegate:

- (A) a certificate signed by two directors and/or Authorised Signatories of the Trustee (in the case of Condition 8(b)(i)) or by two directors and/or an Authorised Signatory of the Obligor (in the case of Condition 8(b)(ii)) stating that the obligation referred to in Condition 8(b)(i) or 8(b)(ii), as the case may be, has arisen and cannot be avoided by the Trustee or the Obligor, as the case may be, taking reasonable measures available to it; and
- (B) an opinion of independent legal or tax advisers in each case of recognised standing to the effect that the Trustee or the Obligor, as the case may be, has or will become obliged to pay additional amounts as a result of such change or amendment,

and the Delegate shall be entitled to accept and rely on such certificate and legal opinion as sufficient evidence of the satisfaction of the conditions precedent set out in Condition 8(b)(i) or, as the case may be, Condition 8(b)(ii) above (without further enquiry and without liability to any person), in which event it shall be conclusive and binding on Certificateholders.

Upon expiry of any such notice given in accordance with this Condition 8(b) and payment in full of the Dissolution Distribution Amount to Certificateholders, the Trustee shall be bound to dissolve the Trust.

- (c) **Dissolution at the Option of the Obligor (Optional Dissolution Right):** If Optional Dissolution Right is specified as applicable hereon, the Obligor may in its sole discretion deliver to the Trustee a duly completed Exercise Notice in accordance with the provisions of the Sale and Substitution Undertaking and, on receipt of such notice, the Trustee shall, on giving not less than 30 nor more than 60 days’ notice to the Delegate and the Certificateholders (or such other notice period as may be specified hereon), redeem all or, if so specified in the relevant Exercise Notice, some of the Certificates on any Optional Dissolution Date. Any such redemption of Certificates shall be at their Dissolution Distribution Amount. Any such redemption or exercise must relate to Certificates of a face amount at least equal to the Minimum Optional Dissolution Amount to be redeemed specified hereon and no greater than the Maximum Optional Dissolution Amount to be redeemed specified hereon. All Certificates in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 8(c). If all (and not some only) of the Certificates are to be redeemed on any Optional Dissolution Date in accordance with this Condition 8(c), upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust. In the case of a partial redemption, the notice to Certificateholders shall also specify the face amount of Certificates drawn and the holder(s) of such Certificates to be redeemed, which shall have been drawn in such place and in such manner as the Trustee deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.
- (d) **Dissolution at the Option of Certificateholders (Certificateholder Put Right):** If Certificateholder Put Right is specified as applicable hereon, the Trustee shall, at the option of the holder of any Certificate, upon the holder of such Certificate giving not less than 15 nor more than 30 days’ notice to the Trustee (or such other notice period as may be specified hereon), redeem such Certificate on the Certificateholder Put Right Date at its Dissolution Distribution Amount. For the purposes thereof, the Trustee shall deliver to the Obligor a duly completed Exercise Notice in accordance with the

provisions of the Purchase Undertaking. If all (and not some only) of the Certificates are to be redeemed on any Certificateholder Put Right Date in accordance with this Condition 8(d), upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

To exercise such option the holder must, within the notice period, deposit the certificate representing such Certificate(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed exercise notice (a “**Certificateholder Put Exercise Notice**”) in the form set out in the Agency Agreement and obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No certificate so deposited and right exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Trustee.

- (e) **Dissolution at the Option of the Certificateholders (Change of Control Put Right):** The Obligor has agreed in the Declaration of Trust to notify the Trustee and the Delegate forthwith upon the occurrence of a Change of Control Event and to provide a description of the Change of Control Event. The Trustee, upon receipt of such notice from the Obligor or otherwise upon becoming aware of the occurrence of a Change of Control Event, shall promptly give notice (a “**Change of Control Put Event Notice**”) of the occurrence of a Change of Control Event to the Delegate and the Certificateholders in accordance with these Conditions. The Change of Control Put Event Notice shall provide a description of the Change of Control Event and shall require, provided Change of Control Put Right is specified as applicable hereon, Certificateholders to elect within the period commencing on (and including) the date on which the Change of Control Put Event Notice is given and ending on (and including) the date which is 30 days after the date on which the Change of Control Put Event Notice is given (the “**Change of Control Put Period**”) if they wish all or any of their Certificates to be redeemed.

If Change of Control Put Right is specified as applicable hereon and a Change of Control Event occurs, and provided that Certificateholders elect to redeem their Certificates, in whole or in part, in accordance with this Condition 8(e), the Trustee shall redeem such Certificates on the Change of Control Put Date at their Dissolution Distribution Amount. For the purposes thereof, the Trustee shall deliver to the Obligor a duly completed Exercise Notice in accordance with the provisions of the Purchase Undertaking. If all (and not some only) of the Certificates are to be redeemed on any Change of Control Put Date in accordance with this Condition 8(e), upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

To elect to redeem all or any of its Certificates in accordance with this Condition 8(e), a Certificateholder must deposit its Certificate(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed exercise notice (a “**Change of Control Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Change of Control Put Period. No Certificate so deposited and right exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Trustee.

- (f) **Dissolution at the Option of the Obligor (Obligor Clean Up Call Right):** If Obligor Clean Up Call Right is specified as applicable hereon and 75 per cent. or more of the aggregate face amount of the Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to this Condition 8, the Obligor may in its sole discretion deliver to the Trustee a duly completed Exercise Notice in accordance with the provisions of the Sale and Substitution Undertaking and, on receipt of such notice, the Trustee shall, on giving not less than 30 nor more than 60 days’ irrevocable notice to the Delegate and the Certificateholders (or such other notice period as may be specified hereon) (such notice being given within 30 days after the Change of Control Put Date or the Certificateholder Put Right Date, as the case may be) redeem all of the Certificates on the date specified in such notice (the

“**Clean Up Call Right Dissolution Date**”). Any such redemption of Certificates shall be at their Dissolution Distribution Amount and upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

- (g) **Dissolution following a Dissolution Event:** Upon the occurrence of a Dissolution Event, the Certificates may be redeemed at their Dissolution Distribution Amount and the Trustee may be required to dissolve the Trust, in each case subject to and as more particularly described in Condition 12.
- (h) **Dissolution following a Total Loss Event:** The Obligor has agreed to notify the Trustee and the Delegate as soon as reasonably practicable upon the occurrence of a Total Loss Event and to provide a description of the Total Loss Event. The Trustee, upon receipt of such notice from the Obligor or otherwise upon becoming aware of the occurrence of a Total Loss Event, shall redeem all of the Certificates by no later than the close of business in London on the 31<sup>st</sup> day after the occurrence of the Total Loss Event (a “**Total Loss Event Dissolution Date**”). Any such redemption of Certificates shall be at their Dissolution Distribution Amount using either (i) the proceeds of insurance payable in respect of the Total Loss Event which are required to be paid into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event, or (ii) if the insurance proceeds (if any) standing to the credit of the Transaction Account on the 30th day following the occurrence of a Total Loss Event are less than the Full Reinstatement Value, the amount standing to the credit of the Transaction Account on the 31st day following the occurrence of a Total Loss Event (provided such day is a business day (as defined in Condition 9(d)) or, if not, on the next following business day), representing the aggregate of the insurance proceeds paid in respect of any Total Loss Event (if any) and the Total Loss Shortfall Amount funded by the Service Agent in accordance with the terms of the Service Agency Agreement and, in each case, together with the outstanding amounts payable under the Master Murabaha Agreement. Upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.
- (i) **Purchases:** The Obligor and the Obligor’s Subsidiaries may at any time purchase Certificates in the open market or otherwise at any price. The Certificates so purchased, while held by or on behalf of the Obligor or any of the Obligor’s Subsidiaries or any holding company of the Obligor, shall not entitle the holder to vote on any Extraordinary Resolution and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of Certificateholders, voting on Extraordinary Resolutions or for the purposes of Condition 14(a).
- (j) **Cancellation:** Any Certificates purchased by or on behalf of the Obligor or any of the Obligor’s Subsidiaries may, at the option of the Obligor, be surrendered for cancellation by surrendering the certificate representing such Certificates to the Registrar and by the Obligor delivering to the Trustee a duly completed Cancellation Notice in accordance with the terms of the Declaration of Trust, the Agency Agreement and the Sale and Substitution Undertaking. All Certificates so surrendered and all Certificates that are redeemed in accordance with this Condition 8 shall be cancelled forthwith and may not be reissued or resold and the obligations of the Trustee in respect of any such Certificates shall be discharged. If all (and not some only) of the Certificates are cancelled in accordance with this Condition 8(j), the Trustee shall be bound to dissolve the Trust.
- (k) **No other Dissolution:** The Trustee shall not be entitled to redeem the Certificates or dissolve the Trust other than as provided in this Condition 8 and Condition 12. Upon payment in full of all amounts due in respect of the Certificates of any Series and the subsequent dissolution of the Trust as provided in this Condition 8 and/or Condition 12 (as the case may be), the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

## 9 Payments

- (a) **Method of Payment:** Payments of the Dissolution Distribution Amount shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided below.

Payments of Periodic Distribution Amounts in respect of each Certificate shall be paid to the person shown on the Register (or, in the case of a Certificate held by two or more persons, to the person whose name appears first on the Register) at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”).

Payments of Periodic Distribution Amounts and the Dissolution Distribution Amount in respect of each Certificate shall be made in the Specified Currency by transfer to an account in the Specified Currency maintained by the payee with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System, as notified by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date.

- (b) **Payments subject to Laws:** Save as provided in Condition 10, payments will be subject in all cases to any other applicable fiscal or other laws and regulations in the place of payment or other laws and regulations to which the Trustee, the Obligor or any of their Agents agree to be subject.
- (c) **Appointment of Agents:** The Principal Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Trustee and their respective specified offices are listed below. The Principal Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Trustee and do not assume any obligation or relationship of agency or trust for or with any Certificateholder. The Trustee reserves the right at any time with the approval of the Delegate to vary or terminate the appointment of the Principal Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Trustee shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Paying Agent (which may be the Principal Paying Agent) having a specified office in at least one major European city and (vi) such other agents as may be required by any stock exchange on which the Certificates may be listed.

Notice of any such change or any change of any specified office shall promptly be given by the Trustee to the Certificateholders.

- (d) **Non-Business Days:** If any date for payment in respect of any Certificate is not a business day, the holder shall not be entitled to payment until the next following business day nor to any profit or other sum in respect of such postponed payment. In this Condition 9(d), “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place in which the specified office of the Principal Paying Agent is located, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the Specified Currency in the principal financial centre of the country of such Specified Currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

## 10 Taxation

All payments in respect of the Certificates shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Relevant Jurisdiction unless such withholding or deduction is required by law. In that event, the Trustee shall pay such additional amounts as shall result in receipt by the Certificateholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Certificate by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Certificate; or
- (b) **Presentation more than 30 days after the Relevant Date:** if the relevant Certificate is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting the Certificate for payment on the last day of such period of 30 days irrespective of whether that day is a business day (as defined in Condition 9(d)).

As used in these Conditions, “**Relevant Date**” in respect of any Certificate means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Certificateholders that, upon further presentation of the Certificate being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to “Periodic Distribution Amounts” and the “Dissolution Distribution Amount” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Declaration of Trust.

Notwithstanding any other provision of these Conditions, all payments in respect of the Certificates by or on behalf of the Trustee will be made net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Trustee nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

*The Transaction Documents provide that payments thereunder by the Obligor shall be made without any withholding or deduction for, or on account of, any present or future taxes, levies, imposts, duties or other charges or withholdings of a similar nature unless such withholding or deduction is required by law, and without set-off or counterclaim of any kind. If withholding or deduction is required by law, the Transaction Documents provide for the payment by the Obligor of such additional amounts as will result in receipt by the Trustee or the Delegate, as the case may be, of such amounts as would have been received by it had no withholding or deduction been made.*

*Further, in accordance with the terms of the Purchase Undertaking and the Declaration of Trust, the Obligor has undertaken to pay such additional amounts as may be necessary pursuant to this Condition 10 so that the full amount due and payable by the Trustee in respect of the Certificates to the Certificateholders is received*

*by the Trustee for the purposes of payment to the Certificateholders in accordance with and subject to the provisions of Condition 10.*

## 11 Prescription

Claims against the Trustee for payment in respect of the Certificates shall be prescribed and become void unless made within 10 years (in the case of the Dissolution Distribution Amount) or five years (in the case of Periodic Distribution Amounts) from the appropriate Relevant Date in respect of them.

## 12 Dissolution Events

(a) **Dissolution Event:** If a Dissolution Event occurs and is continuing:

- (i) the Delegate, upon receiving written notice thereof under the Declaration of Trust shall (subject to its being indemnified and/or secured and/or pre-funded to its satisfaction) promptly give notice of the occurrence of the Dissolution Event to the Certificateholders in accordance with Condition 17 with a request to the Certificateholders to indicate to the Trustee and the Delegate in writing if they wish the Certificates to be redeemed and the Trust to be dissolved; and
- (ii) the Delegate in its sole discretion may, and shall if so requested in writing by the holders of at least 25 per cent. of the then aggregate face amount of the Series of Certificates outstanding or if so directed by an Extraordinary Resolution (subject in each case to its being indemnified and/or secured and/or pre-funded to its satisfaction), give notice (a “**Dissolution Notice**”) to the Trustee, the Obligor and the Certificateholders in accordance with Condition 17 that the Certificates are immediately due and payable at the Dissolution Distribution Amount, whereupon they shall become so due and payable. A Dissolution Notice may be given pursuant to this Condition 12(a)(ii) whether or not notice has been given to Certificateholders as provided in Condition 12(a)(i).

Upon receipt of such Dissolution Notice, the Trustee (or the Delegate (in the name of the Trustee) (subject to Condition 13(a)) shall deliver an Exercise Notice to the Obligor under the Purchase Undertaking and thereafter execute the relevant sale agreement for the sale of Interests in the relevant Asset Portfolio. The Trustee (or the Delegate in the name of the Trustee) shall use the proceeds thereof, together with the outstanding amounts payable under the Master Murabaha Agreement, to redeem the Certificates at the Dissolution Distribution Amount on the date specified in the relevant Dissolution Notice (the relevant “**Dissolution Event Redemption Date**”) and the Trust shall be dissolved on the day after the last outstanding Certificate has been so redeemed in full. Upon payment in full of such amounts and dissolution of the Trust as aforesaid, the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

(b) **Enforcement and Exercise of Rights:** If, following the occurrence of a Dissolution Event, to the extent that any amount payable in respect of the Certificates of the relevant Series has not been paid in full (notwithstanding the provisions of Condition 12(a)), subject to Condition 13(a) the Trustee or the Delegate may (acting for the benefit of the Certificateholders) take one or more of the following steps:

- (i) enforce the provisions of the Transaction Documents to which the Obligor is a party against the Obligor; and/or
- (ii) take such other actions, steps or proceedings as the Trustee or the Delegate may consider necessary to recover amounts due to the Certificateholders.

### 13 Realisation of Trust Assets

- (a) Neither the Trustee nor the Delegate shall be bound in any circumstances to take any action, step or proceeding to enforce or to realise the relevant Trust Assets or take any action, step or proceeding against the Trustee and/or the Obligor, as applicable, under any Transaction Document to which either of the Trustee or the Obligor is a party unless directed or requested to do so: (i) by an Extraordinary Resolution; or (ii) in writing by the holders of at least 25 per cent. of the then outstanding aggregate face amount of the relevant Series and in either case then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction.
- (b) No Certificateholder shall be entitled to proceed directly against the Trustee or the Obligor unless the Delegate or the Trustee, as the case may be, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee and the Obligor shall be to enforce their respective obligations under the Transaction Documents to which they are a party.
- (c) Following the enforcement, realisation and ultimate distribution of the net proceeds of the relevant Trust Assets in respect of the Certificates of the relevant Series to the Certificateholders in accordance with these Conditions and the Declaration of Trust, the Trustee shall not be liable for any further sums and, accordingly, Certificateholders may not take any action against the Trustee, the Delegate or any other person (including the Obligor) to recover any such sum in respect of the Certificates or the relevant Trust Assets.
- (d) Conditions 13(a), 13(b) and 13(c) are subject to this Condition 13(d). After enforcing or realising the relevant Trust Assets in respect of the Certificates of the relevant Series and distributing the net proceeds of the relevant Trust Assets in accordance with Condition 5(b), the obligations of the Trustee in respect of the Certificates of the relevant Series shall be satisfied and no Certificateholder may take any further steps against the Trustee (or any steps against the Delegate) to recover any further sums in respect of the Certificates of the relevant Series and the right to receive from the Trustee any such sums remaining unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

### 14 Meetings of Certificateholders, Modification and Waiver

- (a) **Meetings of Certificateholders:** The Declaration of Trust contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Declaration of Trust. Such a meeting may be convened by Certificateholders holding in aggregate not less than 10 per cent. in face amount of the Certificates for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing not less than a clear majority in face amount of the Certificates for the time being outstanding, or at any adjourned meeting one or more persons being or representing Certificateholders whatever the face amount of the Certificates held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend any Dissolution Date in respect of the Certificates or any date for payment of Periodic Distribution Amounts in respect of the Certificates, (ii) to reduce or cancel the face amount of, or any premium payable on redemption of, the Certificates; (iii) to reduce the rate or rates of profit in respect of the Certificates or to vary the method or basis of calculating the rate or rates or amount of profit, or the basis for calculating any Profit Amount in

respect of the Certificates; (iv) if a Minimum Profit Rate and/or a Maximum Profit Rate is shown hereon, to reduce any such Minimum Profit Rate and/or Maximum Profit Rate; (v) to vary any method of, or basis for, calculating the Dissolution Distribution Amount; (vi) to vary the currency of payment or denomination of the Certificates; (vii) to modify the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to pass an Extraordinary Resolution; (viii) to modify or cancel the payment obligations of the Obligor (in any capacity) and/or the Trustee under the Transaction Documents and/or the Certificates (as the case may be), (ix) to amend any of the Obligor's or the Trustee's covenants included in the Transaction Documents or to amend the covenant given by the Trustee and the Delegate in Clause 14.1 of the Master Declaration of Trust or amend the priority of payments as described in Condition 5(b); or (x) to amend the above list, in which case the necessary quorum shall be one or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in face amount of the Certificates for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Certificateholders (whether or not they were present at the meeting at which such resolution was passed).

The Declaration of Trust provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in face amount of the Certificates then outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Certificateholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Certificateholders.

*For so long as the Certificates are represented by a Global Certificate, an Extraordinary Resolution may also be passed by Certificateholders giving electronic consent, provided that consent to such resolution is given through the relevant clearing system(s) (in a form satisfactory to the Delegate) by or on behalf of not less than 75 per cent. in face amount of the Certificates. See "Summary of Provisions relating to the Certificates while in Global Form".*

- (b) **Modifications, Waivers, Authorisations and Determinations:** The Delegate may, without the consent of the Certificateholders: (i) agree to any modification of any of the provisions of the Declaration of Trust, the Transaction Documents (including these Conditions) or the Trustee's memorandum and articles of association that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law; or (ii) (A) agree to any other modification of any of the provisions of the Declaration of Trust, the Transaction Documents or to any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Declaration of Trust or the Transaction Documents; or (B) determine that any Dissolution Event or Potential Dissolution Event shall not be treated as such provided that such modification, waiver, authorisation or determination is in the opinion of the Delegate not materially prejudicial to the interests of the Certificateholders and is not in contravention of any express direction given by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of that Series and, in the case of modifications under Condition 14(b)(ii)(A) only, is other than in respect of a matter which requires a special quorum resolution (as defined in the proviso to paragraph 2 of Schedule 3 of the Master Declaration of Trust). Any such modification, authorisation, determination or waiver shall be binding on the Certificateholders and shall be notified to the Certificateholders in accordance with Condition 17 as soon as practicable.
- (c) **Entitlement of the Delegate:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Delegate shall have regard to the interests of the Certificateholders as a class and shall not have regard to the consequences of such exercise for individual Certificateholders and the Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the Trustee, the Obligor or the Delegate any



indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders.

## 15 Delegate

- (a) **Delegation of Powers:** The Trustee will in the Declaration of Trust irrevocably and unconditionally appoint the Delegate to be its attorney and in its name, on its behalf and as its act and deeds, to execute, deliver and perfect all documents, and to exercise all of the present and future, powers (including the power to sub-delegate), rights, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Trustee by the Declaration of Trust, that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event or Potential Dissolution Event, and subject to its being indemnified and/or secured and/or prefunded to its satisfaction, exercise all of the rights of the Trustee under the Transaction Documents and make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Declaration of Trust (together the “**Delegation**” of the “**Relevant Powers**”), provided that: (i) no obligations, duties, liabilities or covenants of the Trustee pursuant to the Declaration of Trust or any other Transaction Document shall be imposed on the Delegate by virtue of this Delegation; (ii) in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust the relevant Trust Assets; and (iii) such Delegation of the Relevant Powers shall not include any duty, power, trust, right, authority or discretion to dissolve any of the trusts constituted by the Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the Declaration of Trust, the Delegate also has certain powers which are vested solely in it from the date of the Master Declaration of Trust.

The appointment of a delegate by the Trustee is intended to be in the interests of the Certificateholders and does not affect the Trustee’s continuing role and obligations as sole trustee.

- (b) **Indemnification:** The Declaration of Trust contains provisions for the indemnification of each of the Delegate and the Trustee in certain circumstances and for its relief from responsibility, including provisions relieving it from taking any action, step or proceeding unless indemnified and/or secured and/or prefunded to its satisfaction. In particular, but without limitation, in connection with the exercise of any of its rights in respect of the relevant Trust Assets or any other right it may have pursuant to the Declaration of Trust or the other Transaction Documents, neither the Delegate nor the Trustee shall in any circumstances be bound to take any action, step or proceeding unless directed to do so in accordance with Conditions 12 or 13, and then only if it shall also have been indemnified and/or secured and/or prefunded to its satisfaction.
- (c) **No Liability:** The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Obligor or the Trustee under the Transaction Documents and shall not under any circumstances have any liability or be obliged to account to Certificateholders in respect of any payments which should have been paid by the Obligor or the Trustee but are not so paid and shall not in any circumstances have any liability arising from the relevant Trust Assets, in each case other than as expressly provided in these Conditions or in the Declaration of Trust.

- (d) **Reliance on Certificates, Reports and/or Information:** The Delegate may rely on any certificate, report or information of the auditors or insolvency officials (as applicable) of the Trustee or the Obligor, or any other expert or other person called for by or provided to the Delegate (whether or not addressed to the Delegate) in accordance with or for the purposes of the Declaration of Trust or the other Transaction Documents and such certificate, report or information may be relied upon by the Delegate (without liability to any person) as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Delegate in connection therewith contains a monetary or other limit on the liability of the auditors or insolvency officials of the Trustee or the Obligor or such other expert or other person in respect thereof and notwithstanding that the scope and/or basis of such certificate, report or information may be limited by an engagement or similar letter or by the terms of the certificate, report or information itself and the Delegate shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failure to do so.
- (e) **Proper performance of duties:** Nothing shall, in any case in which the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee, in the case of the Trustee (having regard to the provisions of the Declaration of Trust conferring on it any trusts, powers, rights, authorities or discretions) or as donee and delegate, in the case of the Delegate (having regard to the powers, rights, authorities and discretions conferred on it by the Declaration of Trust and to the Relevant Powers delegated to it), respectively exempt the Trustee or the Delegate from or indemnify either of them against any Liability for gross negligence, wilful default or actual fraud of which either of them may be guilty in relation to their duties under the Declaration of Trust.
- (f) **Notice of Events:** The Delegate shall not be responsible for monitoring or ascertaining whether or not a Dissolution Event, Potential Dissolution Event, Tax Event, Change of Control Event or Total Loss Event has occurred or exists and, unless and until it shall have received express written notice to the contrary, it will be entitled to assume that no such event or circumstance exists or has occurred (without any liability to Certificateholders or any other person for so doing).

## 16 Replacement of Certificates

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Trustee for the purpose and notice of whose designation is given to Certificateholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Trustee on demand the amount payable by the Trustee in respect of such Certificate) and otherwise as the Trustee may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

## 17 Notices

Notices to the holders of Certificates shall be mailed to them by first class mail (airmail if overseas) at their respective addresses in the Register. So long as the Certificates are listed on the Irish Stock Exchange and the rules of that exchange so require, notices to holders of the Certificates shall also be published either on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)) or in a daily newspaper with general circulation in Ireland (which is expected to be the Irish Times). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.

The Trustee shall also ensure that notices to Certificateholders are duly given and/or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) on which the Certificates are for the time being admitted to listing, trading and/or quotation. Any notices shall be deemed to have been given on the fourth day (being a day other than a Saturday or Sunday) after being so mailed (or on the date of publication, or if so published more than once or on different dates, on the date of first publication).

*So long as the Certificates are represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg, or any other clearing system, notices to the holders of the Certificates of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for mailing as required by Condition 17. Any such notice shall be deemed to have been given to the holders of the Certificates on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system.*

## **18 Currency Indemnity**

Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Trustee or the Obligor or otherwise) by any Certificateholder in respect of any sum expressed to be due to it from the Trustee or the Obligor shall only constitute a discharge to the Trustee or the Obligor, as the case may be, to the extent of the amount in the currency of payment under the relevant Certificate that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Certificate, the Obligor, shall indemnify such Certificateholder, on the written demand of such Certificateholder addressed to the Trustee and delivered to the Trustee or to the specified office of the Principal Paying Agent, against any loss sustained by it as a result. In any event, the Obligor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Certificateholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Trustee's and the Obligor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Certificateholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Certificate or any other judgment or order.

## **19 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Certificates under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **20 Governing Law and Arbitration**

- (a) **Governing Law:** The Declaration of Trust (including these Conditions), the Agency Agreement and the Certificates and any non-contractual obligations arising out of or in connection with the same are and shall be governed by, and construed in accordance with, English law.
- (b) **Arbitration:** The Delegate, the Trustee and the Obligor have in the Declaration of Trust agreed that, subject to the provisions of Condition 20(c), any dispute, claim, difference or controversy arising out of, relating to or having connection with the Declaration of Trust and/or the Certificates (which

includes these Conditions and this Condition 20(b)) (including any dispute as to their existence, validity, interpretation, performance, breach or termination of the Declaration of Trust or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a “**Dispute**”) shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the LCIA (the “**Rules**”), which Rules (as amended from time to time) are incorporated by reference into this Condition 20. For these purposes:

- (i) the seat of arbitration shall be London;
- (ii) there shall be three arbitrators, each of whom shall be an attorney experienced in international securities transactions. The claimant(s), irrespective of number, shall nominate jointly one arbitrator; the respondent(s), irrespective of number, shall nominate jointly the second arbitrator, and a third arbitrator (who shall act as presiding arbitrator) shall be nominated by the arbitrators nominated by or on behalf of the claimant(s) and respondent(s) or, in the absence of agreement on the third arbitrator within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, the third arbitrator shall be chosen by the LCIA Court (as defined in the Rules); and
- (iii) the language of the arbitration shall be English.

- (c) **Option to Litigate:** Notwithstanding the agreement described in Condition 20(b), the Delegate may, in the alternative and at its sole discretion, by notice in writing to the Trustee and the Obligor in accordance with the Declaration of Trust:

- (i) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (ii) if no arbitration has commenced,

require that the Dispute be heard by a court of law (a “**Notice to Litigate**”). If the Delegate gives a Notice to Litigate, the Dispute to which such notice refers shall be determined in the manner described in Condition 20(d) and any arbitration commenced under Condition 20(b) in respect of that Dispute will be terminated. Each of the parties to the terminated arbitration will bear its own costs in relation thereto (other than the Delegate whose costs will be borne by the Obligor).

- (d) **Effect of exercise of option to litigate:** If a Notice to Litigate is given pursuant to Condition 20(c), the following provisions shall apply:

- (i) subject to paragraph (iii) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and each of the Trustee and the Obligor have in the Master Declaration of Trust submitted to the exclusive jurisdiction of such courts;
- (ii) each of the Trustee and the Obligor have agreed that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary; and
- (iii) this Condition 20(d) is for the benefit of the Delegate for and on behalf of the Certificateholders only. As a result, and notwithstanding paragraphs (i) and (ii) above, the Delegate may take proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction and, to the extent allowed by law, may take concurrent Proceedings in any number of jurisdictions.

- (e) **Service of Process:** In the Master Declaration of Trust, the Trustee and the Obligor have each irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings or Disputes in England.

- (f) **Waiver of Immunity:** The Obligor has agreed in the Transaction Documents to which it is a party that to the extent it may in any jurisdiction claim for itself or its assets or revenues immunity from suit, jurisdiction, enforcement, prejudgment proceedings, injunctions, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and relief and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Obligor or its assets or revenues, it shall not claim, and has irrevocably and unconditionally waived, such immunity to the fullest extent permitted by the laws of such jurisdiction. In addition, the Obligor has irrevocably and unconditionally consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any of its assets whatsoever of any award, order or judgment made or given in connection with any legal or arbitral proceedings or Disputes.
- (g) **Waiver of Interest:**
- (i) Each of the Trustee, the Delegate and the Obligor has irrevocably agreed in the Declaration of Trust that no interest will be payable or receivable under or in connection therewith and if it is determined that any interest is payable or receivable in connection therewith by a party, whether as a result of any judicial or arbitral award or by operation of any applicable law or otherwise, such party has agreed to waive any rights it may have to claim or receive such interest and has agreed that if any such interest is actually received by it, it shall hold such amount in a suspense account and promptly donate the same to a registered or otherwise officially recognised charitable organisation.
- (ii) For the avoidance of doubt, nothing in this Condition 20(g) shall be construed as a waiver of rights in respect of Periodic Distribution Amounts payable under the Certificates, any amounts payable under the Transaction Documents, the amount of any Wakala Portfolio Revenues collected in accordance with the Service Agency Agreement or profit of any kind howsoever described payable by the Obligor (in any capacity) or the Trustee (in any capacity) pursuant to the Transaction Documents and/or the Conditions, howsoever such amounts may be described or re-characterised by any court or arbitral tribunal.

## **SUMMARY OF PROVISIONS RELATING TO THE CERTIFICATES WHILE IN GLOBAL FORM**

### **1 Initial Issue of Certificates**

Each Series of Certificates will initially be represented by a Global Certificate in registered form. Global Certificates will be delivered on or prior to the issue date of the Series to a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”).

Upon registration of the Certificates in the name of any nominee for, and deposit of the Global Certificate with, a Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a face amount of Certificates equal to the face amount thereof for which it has subscribed and paid.

Certificates that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the applicable Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Certificates that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### **2 Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”) as the holder of a Certificate represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his/her share of each payment made by the Trustee to the registered holder of the underlying Certificates, and in relation to all other rights arising under the Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Trustee in respect of payments due on the Certificates for so long as the Certificates are represented by such Global Certificate and such obligations of the Trustee will be discharged by payment to the registered holder of the underlying Certificates, as the case may be, in respect of each amount so paid.

### **3 Transfers in part**

#### **3.1 Global Certificates**

Transfers of the holding of Certificates represented by a Global Certificate pursuant to Condition 3(a) (*Transfer of Certificates*) may only be made in part:

- (i) if the Certificates represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so;
- (ii) with the consent of the Trustee; or
- (iii) upon the occurrence of a Dissolution Event,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) above, the holder of the Certificates represented by the relevant Global Certificate has given the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such transfer. Where the

holding of Certificates represented by the relevant Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear and/or an Alternative Clearing System.

#### **4 Amendment to Conditions**

The Global Certificates contain provisions that apply to the Certificates that they represent, some of which modify the effect of the terms and conditions of the Certificates set out in this Base Prospectus. The following is a summary of certain of those provisions:

##### **4.1 Payments**

All payments in respect of Certificates represented by a Global Certificate will be made (i) (against surrender of that Global Certificate if no further payment falls to be made in respect of the Certificates) to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January and (ii) in respect of the total aggregate face amount outstanding of the Certificates represented by this Global Certificate during the relevant Return Accumulation Period, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

A record of each payment made will be noted on the relevant Register (as defined in the Conditions) which shall be *prima facie* evidence that such payment has been made in respect of the Certificates.

##### **4.2 Meetings**

The holder of Certificates represented by a Global Certificate shall (unless such Global Certificate represents only one Certificate) be treated as being two persons for the purposes of any quorum requirements of a meeting of Certificateholders. All holders of Certificates are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Certificates comprising such Certificateholder’s holding.

##### **4.3 Certificateholder Put Right and Change of Control Put Right**

Any early dissolution right of the Certificateholders provided for in the Conditions of any Certificates while such Certificates are represented by a Global Certificate may be exercised by the holder of the Certificate(s) in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

##### **4.4 Cancellation**

Cancellation of any Certificate represented by a Global Certificate that is surrendered for cancellation (other than upon its redemption in full) will be effected by reduction in the aggregate face amount of the relevant Series of Certificates in the Register.

##### **4.5 Notices**

Notices required to be given in respect of the Certificates represented by a Global Certificate may be given by their being delivered (so long as this Global Certificate is held on behalf of Euroclear and Clearstream, Luxembourg or any Alternative Clearing System) to Euroclear, Clearstream, Luxembourg or such Alternative Clearing System, as the case may be, or otherwise to the holder of the Global Certificate, rather than by publication as required by the Conditions, provided that such notices must

also be given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange, quotation system or other relevant authority on which the Certificates are for the time being listed or admitted to trading or quotation. Any such notice shall be deemed to have been given to the holders of the Certificates on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such Alternative Clearing System.

## 5 Electronic Consent and Written Resolution

While any Global Certificate is held on behalf of, and registered in the name of any nominee for, a clearing system, then:

- (i) approval of a resolution proposed by the Trustee or the Delegate (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in aggregate face amount of the Certificates outstanding (an “**Electronic Consent**” as defined in the Master Declaration of Trust) shall, for all purposes (including matters that would otherwise require a special quorum resolution (as defined in the Master Declaration of Trust), take effect as an Extraordinary Resolution (as defined in the Master Declaration of Trust) passed at a meeting of Certificateholders duly convened and held, and shall be binding on all Certificateholders whether or not they participated in such Electronic Consent; and
- (ii) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Master Declaration of Trust) has been validly passed, the Trustee and the Delegate shall be entitled to rely on consent or instructions given in writing directly to the Trustee and/or the Delegate, as the case may be, by (a) accountholders in the clearing system with entitlements to such Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Trustee, the Obligor and the Delegate shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Certificateholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular face amount of the Certificates is clearly identified together with the amount of such holding. None of the Trustee, the Obligor or the Delegate shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.



## FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Series, subject only to the deletion of non-applicable provisions, is set out below:

### Final Terms

[Date]

### Ezdan Sukuk Company Limited

Issue of [Aggregate Face Amount of Series] [Title of Certificates]

under the U.S.\$2,000,000,000 Trust Certificate Issuance Programme

### PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Certificates set forth in the Base Prospectus dated 20 March 2017 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Certificates described herein [for the purposes of Article 5.4 of the Prospectus Directive]<sup>1</sup> and must be read in conjunction with the Base Prospectus<sup>2</sup>. Full information on the Trustee, the Obligor and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and these Final Terms]<sup>3</sup> [is/are] available for viewing in accordance with Article 14 of the Prospectus Directive on the website of the Central Bank of Ireland (www.centralbank.ie) and during normal business hours at the registered office of the Trustee at the offices of MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands and copies may be obtained during normal business hours from the registered office of the Principal Paying Agent at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom.]

- |   |                                  |  |
|---|----------------------------------|--|
| 1 | (a) Issuer and Trustee:          | Ezdan Sukuk Company Limited                |
|   | (b) Obligor and Service Agent:   | Ezdan Holding Group Q.P.S.C.               |
| 2 | Series Number:                   | [●]  |
| 3 | Specified Currency:              | [●]  |
| 4 | Aggregate Face Amount of Series: | [●]  |
| 5 | Issue Price:                     | [●] per cent. of the Aggregate Face Amount |

<sup>1</sup> To be included only if the Certificates are to be admitted to trading on the regulated market, and listing on the official list, of the Irish Stock Exchange.

<sup>2</sup> To be deleted where the Certificates are neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive.

<sup>3</sup> To be included only if the Certificates are to be admitted to trading on the regulated market, and listing on the official list, of the Irish Stock Exchange.

6	(a) Specified Denominations:	[●]
	(b) Calculation Amount:	[●]
7	(a) Issue Date:	[●]
	(b) Profit Commencement Date:	[[●]/Issue Date]
8	Scheduled Dissolution Date:	[●]
9	Profit Basis	[Fixed/Floating] Rate Certificates (further particulars specified below)
10	Dissolution Basis:	Dissolution at par
11	Put/Call Rights:	[Not Applicable] [Optional Dissolution Right] [Certificateholder Put Right] [Change of Control Put Right] [Obligor Clean Up Call Right] <sup>4</sup>
12	Status	Unsubordinated
13	Date of Trustee's Board approval and date of Obligor's Board approval for issuance of Certificates:	[●] and [●], respectively

**Provisions relating to profit payable (if any)**

14	Fixed Periodic Distribution Amounts:	[Applicable/Not Applicable]
	(a) Profit Rate(s):	[●] per cent. per annum payable [annually/semi-annually/quarterly/monthly/[●]] in arrear on each Periodic Distribution Date
	(b) Periodic Distribution Date(s):	[●] in each year up to and including the Scheduled Dissolution Date, commencing on [●]
	(c) Periodic Distribution Period:	[As per the Conditions]/[[●]]
	(d) Profit Period Date:	[Periodic Distribution Date]/[[●]]
	(e) Fixed Amount(s):	[●] per Calculation Amount
	(f) Broken Amount(s):	[[●] per Calculation Amount, payable on the Periodic Distribution Date falling [in/on] [●]/Not Applicable]

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<sup>4</sup> For Shariah reasons, the Optional Dissolution Right and the Certificateholder Put Right cannot both be specified as applicable in the applicable Final Terms in respect of any single Series.

- (g) Day Count Fraction: [Actual/Actual]  
 [Actual/Actual – ISDA]  
 [Actual/365 (Fixed)]  
 [Actual/365 (Sterling)]  
 [Actual/360]  
 [30/360]  
 [360/360]  
 [Bond Basis]  
 [30E/360]  
 [Eurobond Basis]  
 [30E/360 (ISDA)]  
 [Actual/Actual – ICMA]
- (h) Determination Date(s): [[•] in each year/Not Applicable]
- 15 Floating Periodic Distribution Amounts: [Applicable/Not Applicable]
- (a) Return Accumulation Period: [[•]/[Not Applicable]]
- (b) Specified Periodic Distribution Date(s): [•] in each year up to and including the Scheduled Dissolution Date, commencing on [•][, [in each case] subject to adjustment in accordance with the Business Day Convention set out in (c) below/, not subject to adjustment]
- (c) Business Day Convention: [Floating Rate Business Day Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / Not Applicable]
- (d) Additional Business Centre(s): [[•]/Not Applicable]
- (e) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [LIBOR / EURIBOR / KIBOR / SHIBOR / HIBOR / KLIBOR / TRLIBOR / TRYLIBOR / SIBOR / EIBOR / TIBOR / SAIBOR]
- Profit Rate Determination Date: [•] [TARGET/[•]] Business Days [in [•]] prior to the [•] day in each Return Accumulation Period
- Relevant Screen Page: [•]
- Relevant Time: [•]
- (f) ISDA Determination [Applicable/Not Applicable]
- Floating Rate Option: [•]
- Designated Maturity: [•]
- Reset Date: [•]

- (g) Linear Interpolation: [Applicable/Not Applicable] [The Rate for the [long/short] [first/last] Return Accumulation Period shall be calculated using Linear Interpolation]
- (h) Margin(s): [+/-][●] per cent. per annum
- (i) Maximum Profit Rate: [Not Applicable/[●] per cent. per annum]
- (j) Minimum Profit Rate: [Not Applicable/[●] per cent. per annum]
- (k) Day Count Fraction: [Actual/Actual]  
[Actual/Actual – ISDA]  
[Actual/365 (Fixed)]  
[Actual/365 (Sterling)]  
[Actual/360]  
[30/360]  
[360/360]  
[Bond Basis]  
[30E/360]  
[Eurobond Basis]  
[30E/360 (ISDA)]  
[Actual/Actual – ICMA]
- (l) Calculation Agent (party responsible for calculating the Profit Rate(s) and/or Periodic Distribution Amount(s)): [Principal Paying Agent/[●]]

**Provisions relating to dissolution**

- 16 Optional Dissolution Right: [Applicable/Not Applicable]
- (a) Optional Dissolution Distribution Amount: [As per Condition 1/[●]/Make-Whole Dissolution Amount]<sup>5</sup>
- (b) Optional Dissolution Date(s): [●]
- (c) Notice period: [[●]/As per Condition [8(c)]]
- (d) If dissolution in part:
- Minimum Optional Dissolution Amount [Not Applicable/[●]]
  - Maximum Optional Dissolution Amount: [Not Applicable/[●]]
- 17 Certificateholder Put Right: [Applicable/Not Applicable]
- (a) Dissolution Distribution Amount: [As per Condition 1/[●]]

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<sup>5</sup> The Make-Whole Dissolution Amount will only be applicable to U.S.\$ denominated trades.

- (b) Certificateholder Put Right Date(s): [●]
- (c) Notice period: [[●]/As per Condition [8(d)]]
- 18 Change of Control Put Right: [Applicable/Not Applicable]
- (a) Dissolution Distribution Amount: [As per Condition 1/[●]]
- 19 Obligor Clean Up Call Right: [Applicable/Not Applicable]
- (a) Dissolution Distribution Amount: [As per Condition 1/[●]]
- (b) Notice period: [[●]<sup>6</sup>/As per Condition [8(f)]]
- 20 Dissolution Distribution Amount following redemption on the Scheduled Dissolution Date, on any Early Tax Dissolution Date or following the occurrence of a Dissolution Event: [As per Condition 1/ [●]]

**General provisions applicable to the Certificates**

- 21 Form of Certificates: Registered Certificates: Global Certificate exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Global Certificate. Reg S Compliance Category 2; TEFRA not applicable.
- 22 Financial Centre(s): [Not Applicable/[●]]

**Provisions in respect of the Trust Assets**

- 23 Wakala Portfolio on the Issue Date
- (a) Wakala Percentage: [●] per cent.
- (b) Murabaha Percentage: [●] per cent.
- 24 Trust Assets: Condition [5(a)] applies
- 25 (a) Details of Transaction Account: [Ezdan Sukuk Company Limited] Transaction Account No: [●] with [●] for Series No.: [●]
- (b) Supplemental Declaration of Trust: Supplemental Declaration of Trust dated [●] between the Trustee, the Obligor and the Delegate
- (c) Supplemental Purchase Agreement: Supplemental Purchase Agreement dated [●] between the Trustee and the Obligor

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<sup>6</sup> Such notice being 30 days after the Change of Control Put Date or the Certificateholder Put Right Date, as the case may be.

- (d) [Purchase Order and Purchase Order dated [●] from the Obligor (as “**Buyer**”) to the  
Letter of Offer and Trustee (as “**Seller**”) and Letter of Offer and Acceptance dated [●]  
Acceptance: from the Seller to the Buyer.]

Signed on behalf of **Ezdan Sukuk  
Company Limited**

Signed on behalf of **Ezdan Holding Group Q.P.S.C.**

By:.....  
*Duly authorised*

By: .....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1 Listing and Admission to Trading

- (a) Listing and Admission to trading: [Application has been made by the Trustee (or on its behalf) to the Irish Stock Exchange plc for the Certificates to be listed on its Official List and admitted to trading on its regulated market with effect from [●]]. [Application is expected to be made by the Trustee (or on its behalf) to [●] for the Certificates to be listed on [●] and admitted to trading on [●], with effect from [●]]. [Not Applicable.]
- (b) Estimate of total expenses related to admission to trading: [●]

### 2 Ratings

- Ratings: The Certificates to be issued [have been/are expected to be/will not be] rated.
- [S&P: [●]]
- [Moody's: [●]]
- [[●]: [●]]
- [[●] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]
- [[●] is established in the European Union and is registered under Regulation (EC) No 1060/2009.]
- [[●] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [●], which is established in the European Union, disclosed the intention to endorse credit ratings of [●].]
- [[●] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [●] in accordance with Regulation (EC) No. 1060/2009. [●] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]
- [[●] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]



3 **Interests of Natural and Legal Persons involved in the Issue**

[Save for any fees payable to the [Managers/Dealer], so far as each of the Trustee and the Obligor is aware, no person involved in the issue of the Certificates has an interest material to the offer.]

4 **Yield:** [•] per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5 **Operational Information**

(a) ISIN: [•]

(b) Common Code: [•]

(c) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)]

(d) Names and addresses of additional Paying Agent(s) (if any): [•]

(e) Stabilising Manager(s): [•]

## **USE OF PROCEEDS**

The net proceeds from the issue of each Series of Certificates will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents (i) towards the purchase from the Obligor of the Interests in the Initial Asset Portfolio; and (ii) towards the purchase of Commodities to be sold to the Obligor, in each case, as specified in the applicable Final Terms, such assets to form part of the Trust Assets of the relevant Series.

The purchase price subsequently received by the Obligor in consideration for the transactions entered into with the Trustee as set out above, including with respect to the proceeds received from the on-sale of the Commodities of the Obligor, will be applied by the Obligor for its general corporate purposes.

## SELECTED FINANCIAL INFORMATION

The following information has been extracted from, and should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements and should also be read in conjunction with “Financial review”.

See also “Presentation of financial and other information — Presentation of financial information” for a discussion of the sources of the numbers contained in this section.

### Consolidated Statement of Financial Position Data

The table below shows the Group’s consolidated statement of financial position data as at 31 December in each of 2016, 2015 and 2014.

	As at 31 December		
	2014	2015	2016
	<i>(QR million)</i>		
<b>Assets</b>			
Cash and bank balances .....	298	620	426
Receivables and prepayments .....	212	600	344
Inventory .....	22	20	19
Due from related parties .....	73	41	10
Investment properties held for sale .....	300	—	—
AFS financial assets .....	5,190	5,534	6,553
Investment properties .....	34,217	36,899	38,920
Investments in equity accounted investees .....	3,054	3,203	3,279
Property and equipment .....	28	22	42
Intangible assets .....	—	—	236
<b>Total assets</b> .....	<b>43,393</b>	<b>46,939</b>	<b>49,829</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Payables and other liabilities .....	506	1,248	1,790
Due to related parties / due to a related party .....	—	350	1,538
Islamic financing borrowings .....	12,810	14,960	15,927
<b>Total liabilities</b> .....	<b>13,316</b>	<b>16,558</b>	<b>19,255</b>
<b>Equity</b>			
Share capital .....	26,525	26,525	26,525
Legal reserve .....	1,056	1,222	1,403
Revaluation reserve .....	1,265	606	330
Foreign currency translation reserve .....	2	2	2

	<b>As at 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
		<i>(QR million)</i>	
Retained earnings.....	1,230	1,623	1,882
Non-controlling interest .....	—	404	432
<b>Total equity</b> .....	<b>30,077</b>	<b>30,381</b>	<b>30,574</b>
<b>Total liabilities and equity</b> .....	<b>43,393</b>	<b>46,939</b>	<b>49,829</b>

### Consolidated Statement of Income Data

The table below shows the Group's consolidated statement of income data for each of 2016, 2015 and 2014.

	<b>2014</b>	<b>2015</b>	<b>2016</b>
		<i>(QR million)</i>	
Rental income .....	1,369	1,550	1,605
Dividends income from AFS financial assets.....	167	184	227
Net gain on sale of AFS financial assets .....	270	337	756
Net gain on sale of investments in associates.....	—	—	210
Other operating revenue.....	65	97	111
Operating expenses .....	(297)	(296)	(371)
<b>Operating profit for the year</b> .....	<b>1,574</b>	<b>1,873</b>	<b>2,539</b>
Add (less):			
Share of results of equity accounted investees .....	324	276	193
Gain on acquisition of a subsidiary .....	—	—	41
Gain on acquisition of an associate .....	8	—	37
Gain on sale of investment properties held for sale .....	24	5	—
(Loss) Gain on revaluation of investment properties .....	53	601	(28)
Other income.....	11	19	16
General and administrative expenses .....	(255)	(246)	(303)
Depreciation .....	(9)	(9)	(16)
Impairment loss on AFS financial assets.....	(45)	(54)	(51)
Finance costs .....	(325)	(399)	(623)
<b>Profit for the year</b> .....	<b>1,360</b>	<b>2,066</b>	<b>1,805</b>
<i>Attributable to:</i>			
Equity holders of Ezdan .....	1,360	1,662	1,812
Non-controlling interest .....	—	404	(8)

## Consolidated Statement of Other Comprehensive Income Data

The table below shows the Group's consolidated statement of other comprehensive income data for each of 2016, 2015 and 2014.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
		<i>(QR million)</i>	
Profit for the year .....	1,360	2,066	1,805
<b>Other comprehensive income</b> .....			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Gain / (Loss) on AFS financial assets .....	929	(662)	283
(Loss) / Gain on cash flow hedges .....	(4)	4	6
Share of net movement in revaluation reserves of associates.....	4	(1)	1
<b>Total other comprehensive income/(loss) for the year</b>	929	(659)	(276)
<b>Total comprehensive income for the year</b> .....	2,289	1,407	1,529
<i>Attributable to:</i>			
Equity holders of Ezdan .....	2,289	1,003	1,536
Non-controlling interest .....	—	404	(8)

## Consolidated Statement of Cash Flows Data

The table below summarises the Group's consolidated statement of cash flows data for each of 2016, 2015 and 2014.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
		<i>(QR million)</i>	
Net cash flows from operating activities.....	970	2,001	2,726
Net cash flows used in investing activities.....	(266)	(1,977)	(2,283)
Net cash flows (used in) from financing activities.....	(691)	496	(639)
Cash and cash equivalents at 1 January .....	86	98	618
Cash and cash equivalents at 31 December.....	98	618	423

## Selected Consolidated Ratios

The table below shows selected consolidated ratios for the Group as at, and for the years ended, 31 December in each of 2016, 2015 and 2014.

	<b>As at/years ended 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<i>(per cent., except where otherwise stated)</i>		
Operating profit margin <sup>(1)</sup> .....	84.1	86.3	87.3
Net profit margin <sup>(2)</sup> .....	61.3	84.3	58.2
Net operating cash flow to net profit <sup>(3)</sup> .....	71.3	96.9	151.0
Financing costs coverage ratio <sup>(4)</sup> (times).....	5.18x	6.18x	3.9x
Total liabilities to assets <sup>(5)</sup> .....	30.7	35.3	38.6
Return on average assets <sup>(6)</sup> .....	3.20	3.36	3.90
Return on average equity <sup>(7)</sup> .....	4.78	5.26	6.47

Notes:

- (1) Operating profit for the year divided by the sum of rental income, dividend income from AFS financial assets, net gain on sale of AFS financial assets, net gain on sale of investment in associates and other operating revenue.
- (2) Profit for the year divided by the sum of rental income, dividend income from AFS financial assets, net gain on sale of AFS financial assets, other operating revenue, share of results of associates and joint ventures, net gain on sale of investment in associates and gain on sale of investment properties held for sale.
- (3) Net cash flows from operating activities divided by profit for the year.
- (4) Profit for the year plus finance costs divided by finance costs.
- (5) Total liabilities divided by total assets.
- (6) Profit for the year plus impairment loss on AFS financial assets and minus (loss) gain on revaluation of investment properties, divided by average assets, with average assets being the sum of total assets at the start and end of each year divided by two.
- (7) Profit for the year plus impairment loss on AFS financial assets and minus (loss) gain on revaluation of investment properties, divided by average equity minus proposed cash dividends, with average equity being the sum of total equity at the start and end of each year divided by two.

## FINANCIAL REVIEW

*The following discussion and analysis should be read in conjunction with the information set out in “Presentation of financial and other information”, “Selected financial information” and the Financial Statements.*

*The discussion of the Group’s financial condition and results of operations is based upon the Financial Statements which have been prepared in accordance with IFRS. This discussion contains forward-looking statements that involve risks and uncertainties. The Group’s actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Base Prospectus, particularly under the headings “Cautionary statement regarding forward-looking statements” and “Risk factors”.*

*See “Presentation of financial and other information” for a discussion of the source of the numbers presented in this section and certain other relevant information.*

### Overview

The Group operates primarily in the Qatar real estate sector as a developer, owner and operator of a large number of different real estate projects in the residential, commercial, retail, hospitality and entertainment sectors. In particular:

- **residential and commercial:** the Group owns a portfolio of more than 19,550 housing units, principally located in Al Wakrah and Al Wukair, as well as in certain strategic locations in Doha. It also owns 225 commercial units, principally in Doha. All of these units are leased to generate significant rental income. The Group also records limited gains on the sale and revaluation of its investment property. The Group has a significant ongoing residential development programme with plans to construct around an additional 15,000 housing units on an area of approximately 1.9 million square metres by 2019;
- **retail:** in 2013, the Group opened its first large-scale mall, Ezdan Mall, in the Gharafa area of Al Rayan which generates rental income and a limited amount of other operating revenue. The mall attracted a daily average of more than 13,000 visitors in 2016. The Group’s second and third Ezdan Malls in Al Wukair and Al Wakrah are currently scheduled to be opened in April 2017;
- **hospitality:** the Group owns and manages the Ezdan Hotels Westbay in the West Bay area of Doha, which is one of the largest hotels in Qatar with 3,000 keys. The Group’s hotel also generates rental income and a limited amount of other operating revenue. The Group’s second hotel, the Ezdan Palace Hotel on Al Shamal Road near Doha International Airport, is currently scheduled to open in June 2017 with 210 keys and the Group will also manage The Curve Hotel, a 600-key hotel located in the Diplomatic area of Doha when it opens in April 2017. This hotel is owned by White Square Real Estate, a joint venture in which the Group has a 32.5 per cent. shareholding; and
- **entertainment:** the Group has a 70.0 per cent. shareholding in Ezdan World, which manages assets in the tourism and recreation sectors. Ezdan World’s main activity is the management of the operations of the Magical Festival Village, a 50,000 square metre tourist attraction located next to the Katara Cultural Village, north of Doha.

Since 2012 and as part of a diversification strategy, the Group has established a significant portfolio of financial investments in companies operating principally in the banking and insurance sector, healthcare and

media sectors. These financial investments principally generate dividend income and gains on sale and revaluation.

The Group has benefitted in recent years from positive economic fundamentals in Qatar, including growing GDP and population levels which have contributed to increased demand for the residential and commercial accommodation that it supplies, as well as its retail and hospitality offerings. In 2013 and 2014, the Group's available for sale financial investments also benefitted from the strong performance of the Qatar Stock Exchange with the QE All Share index increasing from 8,358.94 at 31 December 2012 to 10,379.59 at 31 December 2013 and 12,285.78 at 31 December 2014. The QE All Share index has since declined significantly from a high of 12,692.91 in February 2015 to 10,436.76 at 31 December 2016.

In 2016, the Group had operating income (being the sum of rental income plus other operating revenue) of QR 1,716 million and net investment income of QR 1,465 million and loss on the revaluation of investment property of QR 28 million. In 2015, the Group had operating income (being the sum of rental income plus other operating revenue) of QR 1,647 million and net investment income of QR 797 million and income from the sale and revaluation of investment property of QR 606 million. In 2016 and 2015, the Group's profit for the year amounted to QR 1,805 million and QR 2,066 million, respectively. As at 31 December 2016, the Group's total assets were QR 50 billion compared to QR 47 billion as at 31 December 2015.

### Principal factors affecting results of operations

The following is a discussion of the principal factors that have affected, or are expected to affect, the Group's results of operations.

#### Rental income

The Group derives rental income principally from leasing residential and commercial units as well as from leasing retail space in its malls and from room charges in its hotels.

The Group's rental income from leasing residential and commercial units is driven by the number of units available to lease, the occupancy rate in respect of those units and the rent charged in respect of each unit. The table below shows details of the number of the Group's residential and commercial units, the average occupancy rate in respect of those units in each year and the average rental rate per unit in each year for each of 2014, 2015 and 2016.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Number of residential and commercial units <sup>(1)</sup> .....	19,775	19,775	19,775
Average occupancy rate <sup>(2)</sup> ( <i>per cent.</i> ) .....	87.33	93.67	92.00
Total rental income from residential and commercial units ( <i>QR million</i> ) .....	1,051	1,210	1,259
Average monthly rental per unit <sup>(3)</sup> ( <i>QR</i> ) .....	4,431	5,099	5,306

Notes:

- (1) Number of residential and commercial units as at 31 December.
- (2) Average occupancy rate is determined by dividing the number of units occupied during the year by the number of units as at 31 December.
- (3) Average monthly rental per unit is determined by dividing the average annual rental per unit (determined by the total rental generated by the units during the year divided by the number of units as at 31 December) by 12.



During the first quarter of 2014 the Group completed approximately 1,100 new units. No new units were completed in 2015 or in 2016. In addition, one residential village was closed for renovations in the second half of 2014 and was re-occupied in 2015, which also contributed to the increased rental revenue in 2015. These completions increased the Group's rental revenue in 2014 and to a lesser extent in 2015. During 2015, the Group also increased the rental rate in respect of its residential units by between 10 and 15 per cent. During 2016, the Group did not increase the rental rate of its residential units, but a small number of rental contracts renewed in early 2016 were negotiated at the increased 2015 residential rates.

Reflecting the above, the Group's rental income from residential and commercial units increased by QR 158 million, or 15.1 per cent., in 2015 from QR 1,051 million in 2014 to QR 1,210 million in 2015 and by QR 49 million, or 4.1 per cent. in 2016, compared to 2015, to QR 1,259 million.

The Group's rental income from its hotel is driven by the number of rooms available to rent, the occupancy rate and the average daily room rate achieved. The Group currently only has one fully operational hotel with 3,000 rooms which opened in 2006. The Group's occupancy rates in respect of this hotel were 86.1 per cent. in 2014, 86.4 per cent. in 2015 and 86 per cent. in 2016 and its average daily room rate was QR 232 in 2014, QR 262 in 2015 and QR 257 in 2016. During 2016, the Group decreased the room rate in respect of its hotel by 1.8 per cent.

Reflecting the above, the Group's rental income from its hotel increased by QR 38 million, or 17.6 per cent., in 2015 from QR 217 million in 2014 to QR 255 million in 2015 and decreased by QR 13 million, or 5.0 per cent. in 2016, compared to 2015, to QR 242 million.

The Group's rental income from its shopping mall is driven by the number of retail units available to rent, the occupancy rate in respect of those units and the rent charged per unit. The Group currently only has one shopping mall with 170 units which opened in April 2013. The Group's average occupancy rates (determined by dividing the number of shops occupied by the total number of shops) in respect of this shopping mall were 94 per cent. in 2014, 99 per cent. in 2015 and 99 per cent. in 2016. Its average monthly rental rate per square metre (determined by dividing the total monthly rental generated by the shops during the year (determined by dividing the annual rental revenue by 12) – by the gross leasable area (“GLA”) of the mall at 31 December) was QR 228.33 in 2014, QR 245.57 in 2015 and QR 239.0 in 2016.

Reflecting the above, the Group's rental income from its shopping mall increased by QR 8 million, or 7.6 per cent., in 2015 from QR 101 million in 2014 to QR 108 million in 2015 and by QR 37 million, or 34 per cent. in 2016, compared to 2015, to QR 145 million.

#### **AFS financial assets**

The Group's AFS financial assets are all equity investments in companies listed on the Qatar Stock Exchange. The Group's AFS financial assets are valued at fair value on each reporting date with any changes in the fair value being recorded in other comprehensive income and as equity in a fair value reserve in the Group's statement of financial position. In 2016, the Group recorded (in other comprehensive loss) a net decrease in the fair value of its AFS financial assets of QR 283 million and, in 2015, it recorded (in other comprehensive income) a net decrease in the fair value of its AFS financial assets of QR 662 million and a net increase in 2014 of QR 929 million, in all cases reflecting changes in the quoted values of its AFS financial assets. Changes in the fair value of its AFS financial assets do not represent cash inflows or outflows to the Group.

A significant or prolonged decline in the fair value of AFS financial assets below their cost is recognised as an impairment of the carrying value and, accordingly, is charged to profit or loss when recognised. When an AFS investment is sold, the cumulative gain or loss in other comprehensive income is transferred to profit or loss. Neither the charging of impairments, nor the transfer of cumulative gains or losses, to profit and loss represents cash inflows or outflows to the Group. In each of 2014, 2015 and 2016, the Group recorded

impairment losses of QR 45 million, QR 54 million and QR 51 million, respectively, on its AFS financial assets.

In addition, the Group records, in its consolidated income statement, any net gain or loss realised on the sale of AFS financial investments during the year as well as its share of the dividends declared by its AFS investees. In 2014, 2015 and 2016, the Group's aggregate net gain on sale of AFS financial assets and dividends from AFS financial assets amounted to QR 437 million, QR 522 million and QR 983 million, respectively.

Volatility in stock market valuations and/or global market conditions in future periods could also affect the value of the Group's AFS financial assets and could impact the Group's future reported results.

### **Share of results in associates and joint ventures**

The Group's equity accounted investees comprise its associates and a joint venture. Associates are those entities in which the Group has significant influence over the financial and operating policies but does not exercise control over such policies. Significant influence is presumed to exist when the Group has between 20 per cent. and 50 per cent. of the voting power of another entity. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Equity accounted investees are accounted for using the equity method which means that the investment is initially recognised in the statement of financial position at cost under (in the case of the 2016 Financial Statements) "*Investments in associates and joint ventures*", or (in the case of the 2015 Financial Statements) "*Investments in associates and a joint venture*" and (in the case of the 2014 Financial Statements) "*Investments in equity accounted investees*". The statement of comprehensive income records the Group's share of the results and other comprehensive income of the equity accounted investees during the period and the carrying amount on the statement of financial position is adjusted at period end to reflect the results of those entities as well as any dividends, additions, disposals or impairments during the period concerned. Where the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued save to the extent that the Group has a legal or constructive obligation to contribute to such losses.

Equity accounted investees principally impact the Group's consolidated income statement as the Group's proportionate share of those companies' profits or losses is recorded as (in the case of the 2016 Financial Statements) "*Investments in associates and joint ventures*", or (in the case of the 2015 Financial Statements) "*Share of results of associates and a joint venture*" and (in the case of the 2014 Financial Statements) "*Share of results of equity accounted investees*", see "*—Results of operations—Share of results of equity accounted investees*".

In each of 2014, 2015 and 2016, the Group recorded net income from its equity accounted investees of QR 324 million, QR 276 million and QR 193 million, respectively.

The Group's share of the results of its equity accounted investees does not represent cash inflows. The Group receives cash dividends from its equity accounted investees but the amount of such dividends does not necessarily bear any relationship to the Group's share in the results of its equity accounted investees.

### **Gain (loss) on revaluation of investment properties**

The Group incurred a loss on revaluation of investment properties of QR 28 million in 2016 compared to a gain on revaluation of investment properties of QR 601 million in 2015 and of QR 53 million in 2014.

## Recent Developments

### *Ezdan International Asset Management*

Following the result of the UK referendum held in June 2016 in which a majority voted to leave the European Union, the value of sterling fell sharply against the U.S. dollar and in the second half of 2016 the Group made four property acquisitions in the UK, to take advantage of these favourable market conditions. Three of these mixed residential and commercial properties are located in Central London, with the other in Suffolk. The acquisitions were made by subsidiaries of Ezdan International Holdings (“**EIH**”) and are managed by Ezdan International Asset Management (“**EIAM**”); both EIH and EIAM are wholly owned subsidiaries of Ezdan. The Group does not plan to make any further investments in the UK property market. See “*Description of the Group — Business — Financial investments business — Financial services and insurance*” below for further information.

### *Ezdan World*

In the fourth quarter of 2016, the Group increased its stake in the Ezdan World Company (“**Ezdan World**”), which manages assets in the tourism and recreation sectors, to 70.0 per cent. Ezdan World’s main activity is the management of the operations of the Magical Festival Village, a 50,000 square metre tourist attraction located next to the Katara Cultural Village, north of Doha.

## Significant Accounting Policies

The Financial Statements have been prepared in accordance with IFRS. For a discussion of the accounting policies applied by the Group generally, see note 3 to the 2016 Financial Statements.

## Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In preparing the Group’s financial statements, management is required to make certain estimates, judgments and assumptions. These affect the reported amounts of the Group’s assets and liabilities, including disclosure of contingent assets and liabilities, at the date of the financial statements as well as the reported amounts of its revenues and expenses during the periods presented. Management bases its estimates and assumptions on historical experience and other factors that it believes to be reasonable at the time the estimates and assumptions are made and evaluates the estimates and assumptions on an ongoing basis. However, future events and their effects cannot be predicted with certainty and the determination of appropriate estimates and assumptions requires the use of judgment. Actual outcomes may differ from any estimates or assumptions made and such differences may be material to the financial statements. The Group’s significant accounting estimates, judgments and assumptions made in the preparation of the Group’s financial statements include:

- the classification of its property as investment property or trading property;
- the classification of its property lease contracts as operating leases;
- the impairment of tenant receivables, inventory, available for sale financial assets and non-financial assets;
- the fair value of its financial instruments;
- the valuation of its investment properties; and
- the useful lives of its property and equipment.

For a more detailed discussion of these estimates, judgements and assumptions, see note 4 to the 2016 Financial Statements.

## Results of Operations

### Rental income

The Group's rental income in 2014 amounted to QR 1,369 million compared to QR 1,550 million in 2015 and QR 1,605 million in 2016. The Group derives rental income from leasing residential units, commercial units, retail space in its mall and room charges in its hotels.

The Group's rental income increased by QR 181 million, or 13.2 per cent., in 2015, compared to 2014 and by QR 55 million, or 3.6 per cent. in 2016, compared to 2015.

The increase in 2015, compared to 2014, principally resulted from rental increases implemented during 2015, particularly on the Group's residential properties where rents on average increased by between 10 and 15 per cent. in April 2015, and by increased room rates in its hotels implemented during 2015.

The increase in 2016, compared to 2015, principally resulted from the commencement of Ezdan World's operations and the impact of higher rental prices agreed in 2015 which also led to an increase in rental income from those rental contracts renewed in the first quarter of 2016.

### Other operating revenue

The table below shows the breakdown of the Group's other operating revenue in each of 2014, 2015 and 2016.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
		<i>(QR million)</i>	
Dividend income from AFS financial assets .....	167	184	227
Net gain on sale of AFS financial assets .....	270	337	756
Net gain on sale of investments in associates.....	—	—	210
Other operating revenues .....	65	97	111
<b>Total other operating revenue .....</b>	<b><u>502</u></b>	<b><u>619</u></b>	<b><u>1,305</u></b>

The Group's total other operating revenue amounted to QR 502 million in 2014 compared to QR 619 million in 2015 and QR 1,305 million in 2016. The Group's other operating revenue principally comprises dividend income from, and the net gain realised on the sale of its AFS financial assets.

The increase of QR 117 million, or 23.3 per cent., in 2015, compared to 2014, principally reflected increased dividend income which, in turn, reflected an increase in the amount of AFS financial assets as well as the dividends declared by each company. The Group's net gain on sale of AFS financial assets increased by QR 67 million, or 24.9 per cent., which in turn reflected an increase in the amount of AFS financial assets sold during 2015 compared to 2014. The Group's other operating revenues line item increased by QR 33 million, or 50.7 per cent., principally as a result of a compensation payment of QR 43 million received from the Qatari government in respect of properties acquired by the government from the Group in previous years.

The increase of QR 686 million, or 110.8 per cent., in 2016 compared to 2015, principally reflected the disposal of certain equity investments (Net gain on sale of investment in associates) to comply with the new thresholds imposed by the Qatar Central Bank and Qatar Financial Markets Authority relating to ownership of listed financial institutions. The Group's dividend income from AFS financial assets increased by QR 43 million, or 23.1 per cent., in 2016, compared to 2015, principally reflecting the increase in the Group's shareholdings (compared to 2015) in Qatar Islamic Bank Q.P.S.C., Qatar Investors Group Q.P.S.C and Masraf

Al Rayan Q.P.S.C when the dividend payments were made to the Group. The Group's net realised gain on trading its AFS financial assets increased by QR 419 million, or 124.2 per cent., which in turn reflected an increase in the amount of AFS financial assets sold during 2016 compared to 2015. The Group's other operating revenues line item increased by QR 14 million, or 14.4 per cent., principally due to the Group's increase in its shareholding in Dar Al-Arab W.L.L., which in turn led to an increase in the Group's publishing and distribution revenue, which forms part of the other operating revenues for the Group.

## Operating expenses

	2014		2015		2016	
	<i>(QR million)</i>	<i>(per cent.)</i>	<i>(QR million)</i>	<i>(per cent.)</i>	<i>(QR million)</i>	<i>(per cent.)</i>
Staff costs .....	74	25.2	88	29.6	108	29.2
Electricity and water .....	52	17.5	51	17.1	61	16.5
Sewage.....	34	11.4	44	14.8	41	11.0
Maintenance expenses.....	29	9.7	32	10.7	41	11.1
Generators and equipment rental .....	29	9.9	0	0.1	3	0.7
Cleaning.....	22	7.5	21	6.9	20	5.4
Security.....	18	5.9	18	6.0	21	5.8
Air-conditioning.....	16	5.3	19	6.3	20	5.5
Food and beverage .....	7	2.5	10	3.5	7	1.9
Laundry and dry cleaning.....	6	2.0	6	2.0	6	1.5
Printing Cost.....	—	—	—	—	11	3.0
Operating Lease expenses.....	—	—	—	—	16	4.3
Commission.....	1	0.2	—	—	5	1.3
Other operating expenses.....	9	3.1	9	3.1	10	2.8
<b>Total operating expenses</b> .....	<b>297</b>	<b>100.0</b>	<b>296</b>	<b>100.0</b>	<b>371</b>	<b>100.0</b>

The Group's total operating expenses amounted to QR 297 million in 2014 compared to QR 296 million in 2015 and QR 371 million in 2016. The increase in 2016 was principally due to the Group's increase in its shareholding in Dar Al-Arab W.L.L. which led to an increase in staff costs and printing costs. There was also an increase in operating lease expenses as a result of the Group's increase in its shareholding of Ezdan World. The Group's principal operating expenses are staff costs, utilities and cleaning, maintenance and security expenses.

The Group's total operating expenses were stable in 2014 and 2015. The principal individual movements within total operating expenses were a QR 29 million decline in the cost of generators and equipment rental in 2015 as the Group had installed electricity and water services in all its compounds by the end of 2014 and a QR 13 million increase in staff costs as a result of hiring employees for the pre-opening operations of its two new malls and two new hotels. Other line item increases principally reflect price rises.

## Operating profit for the year

Reflecting the above factors, the Group recorded an operating profit of QR 1,574 million in 2014 compared to QR 1,873 million in 2015 and QR 2,539 million in 2016. The Group's operating profit increased by QR 299 million, or 19.0 per cent., in 2015, compared to 2014, and by QR 666 million, or 35.6 per cent., in 2016, compared to 2015.

### **Share of results of equity accounted investees**

The Group had investments in eight equity accounted investees in 2014, in seven equity accounted investees in 2015 and in eight equity accounted investees in 2016. Equity accounted investees comprise six associates and two joint ventures.

Equity accounted investees are accounted for using the equity method, which means that:

- the investment is initially recognised in the statement of financial position at cost and subsequently adjusted to reflect changes in the Group's share of the net assets of the investee since the acquisition date;
- a proportion of each investee's net profit that is equal to the Group's proportionate shareholding in the investee is recorded in the Group's statement of income under the line item (in the case of the 2016 Financial Statements) "share of the results of associates and joint ventures" or (in the case of the 2015 Financial Statements) "share of the results of associates and a joint venture"; and
- the Group records impairment losses (being the difference between the recoverable amount of the investee and its carrying amount) to the extent that there is objective evidence that the Group's investment in an investee has been impaired.

The Group's share of the results of its equity accounted investees amounted to QR 324 million in 2014 compared to QR 276 million in 2015 and QR 193 million in 2016. In 2014, the Group's share in the net profit of Qatar International Islamic Bank, White Square Real Estate and MCG amounted to QR 285 million. The Group's remaining equity accounted investees did not record significant net profits or losses in 2014.

In 2015, the Group's share of the results of its equity accounted investees declined by QR 48 million compared to 2014, mainly due to its share of the net profit in Qatar International Islamic Bank being significantly lower in 2015 although this was partly offset by an increase in its share of the net profit in White Square Real Estate. The Group's share of the net profit in MCG fell by QR 3 million in 2015. The Group's remaining equity accounted investees did not record significant net profits or losses in either 2015 or 2016.

In 2016, the Group's share of the results of its equity accounted investees declined by QR 83 million compared to 2015 mainly due to its share of the net profits in each of Qatar International Islamic Bank, Medicare Group Q.P.S.C and White Square Real Estate being significantly lower in 2016.

### **Other gains and income**

The Group's other gains and income amounted to QR 97 million in 2014 compared to QR 625 million in 2015 and QR 66 million in 2016. In 2014, the Group recorded a gain on the revaluation of investment properties of QR 53 million and a gain on the sale of investment properties held for sale of QR 24 million. In 2015, the Group recorded a gain on the revaluation of investment properties of QR 601 million, partly reflecting the fact that during 2015 Emtedad Real Estate, the Group company that is developing approximately 15,000 residential units, ceased to be a joint venture and became a subsidiary of Ezdan following changes to its constitutional documents, and a gain on the sale of investment properties held for sale of QR 5 million. In 2016, the Group recorded a gain on the acquisition of an associate of QR 37 million, a gain on the acquisition of subsidiary of QR 41 million and other income of QR 16 million. In the same period, the Group incurred a loss on revaluation on investment properties of QR 28 million.

### **General and administrative expenses**

The Group's general and administrative expenses amounted to QR 255 million in 2014 compared to QR 246 million in 2015 and QR 303 million in 2016. The Group's principal general and administrative expenses are set out in the table below.

	2014		2015		2016	
	(QR million)	(per cent.)	(QR million)	(per cent.)	(QR million)	(per cent.)
Staff costs .....	118	46.1	132	53.6	134	44.3
Executive Committee benefits .....	33	12.7	33	13.4	35	11.4
Allowance for impairment of tenants receivables (net of reversal) .....	21	8.4	7	2.8	38	12.4
Advertising and marketing .....	18	7.0	12	5.1	12	4.1
Board of Directors' remuneration .....	16	6.4	6	2.6	13	4.3
Consulting, legal and professional expenses .....	10	4.1	14	5.6	24	8.0
Qatar Stock Exchange registration fees ....	8	3.2	8	3.4	8	2.8
Compensation expenses .....	7	2.5	—	—	—	—
Other .....	24	9.5	33	13.5	39	12.7
<b>General and administrative expenses ...</b>	<b>255</b>	<b>100.0</b>	<b>246</b>	<b>100.0</b>	<b>303</b>	<b>100.0</b>

The decrease by QR 10 million, or 3.9 per cent., in 2015, compared to 2014, reflected a range of different movements in individual line items. The major changes were:

- staff costs, which increased by QR 14 million, or 11.7 per cent., as a result of hiring employees for the pre-opening operations of the Group's new malls and hotels;
- allowance for impairment of tenant receivables, which decreased by QR 15 million due to increasing success in collecting amounts due; and
- board of Directors' remuneration, which decreased by QR 10 million as a result of a change in law.

The increase of QR 58 million, or 23.5 per cent., in 2016 compared to 2015, reflected a range of different movements in individual line items. The major changes were:

- consulting, legal and professional expenses which increased by QR 11 million, mainly due to the valuation of new acquisitions during the year 2016;
- allowance for impairment of tenant receivables, which increased by QR 31 million, mainly due to a conservative assessment by management; and
- board of Directors' remuneration, which increased by QR 7 million.

### Finance costs

The Group's total finance cost incurred on its Islamic borrowing arrangements amounted to QR 602 million in 2014 compared to QR 593 million in 2015 and QR 668 million in 2016. Certain of these borrowings have been incurred to finance property development projects and the costs relating to these borrowings are capitalised (at the Group's weighted average finance cost rates of 4.98 per cent. in 2014, 4.12 per cent. in 2015 and 4.19 per cent. in 2016) based on qualifying expenditure related to the projects concerned. Net of the amounts capitalised, the Group's finance costs were QR 325 million in 2014, QR 399 million in 2015 and QR 623 million in 2016.

The increase of QR 73 million, or 22.6 per cent., in 2015, compared to 2014, principally reflected a QR 83 million decrease in capitalised finance costs in 2015 as certain qualifying assets eligible for capitalisation were substantially completed and the capitalisation rate decreased from 4.98 per cent. in 2014 to 4.12 per

cent. in 2015. This decrease was partly offset by a QR 9 million reduction in gross finance costs as a result of refinancing.

The increase of QR 224 million, or 56.2 per cent., in 2016, compared to 2015 principally reflected the new Islamic financings which were put in place (both Sukuk and bi-lateral bank facilities), in addition to the fact that the Group had significantly less capitalised finance costs during the year as most of its projects were close to completion.

#### **Impairment loss on AFS financial assets**

The Group's impairment loss on AFS financial assets amounted QR 45 million in 2014 compared to QR 54 million in 2015 and QR 51 million in 2016. The Group assesses its financial assets individually for evidence of impairment. In the case of its AFS equity investments, such evidence would include a significant or prolonged decline in the fair value of an investment below its cost. Where there is evidence of impairment, the cumulative loss (being the difference between the acquisition cost as reduced by any previously recognised impairment and the current fair value) is recorded in the income statement.

The Group's impairment loss in 2014 principally reflected a decline in market price of one investee in the industrial sector and, to a lesser extent, another investee in the banks and financial services sector. The Group's impairment loss in 2015 reflected principally a significant decline in the market index of the Qatar Stock Exchange during 2015. The Group's impairment loss in 2016 principally reflected a decline in the market price of one investee.

#### **Depreciation**

The Group's depreciation charge amounted to QR 9 million in 2014 compared to QR 9 million in 2015 and QR 16 million in 2016. The increase in the depreciation charge of QR 6 million in 2016 compared to 2015 was primarily due to the depreciation of fixed assets of Ezdan World and the increased depreciation charge as a result of the Group's additional shareholding in Dar Al-Arab W.L.L. The Group's depreciation charge was principally incurred on its buildings; furniture, fixtures and office equipment; and its motor vehicles. These asset types are depreciated on a straight line basis over 20 years, two to five years and five years, respectively.

#### **Profit for the year**

Reflecting the above factors, the Group recorded profit of QR 1,360 million in 2014 compared to QR 2,066 million in 2015 and QR 1,805 million in 2016, of which QR 1,812 million was attributable to equity holders of Ezdan in 2016. The Group's profit for the year (attributable to equity holders of Ezdan) increased by QR 301 million, or 22.2 per cent., in 2015, compared to 2014 and by QR 151 million, or 9.0 per cent., in 2016, compared to 2015. During 2015, the Group's 67.5 per cent. owned joint venture, Emtedad Real Estate, became a subsidiary, which created the non-controlling interest in 2015.

#### **Other comprehensive income/loss**

The Group's other comprehensive income amounted to QR 929 million in 2014 compared to a comprehensive loss of QR 659 million in 2015 and a comprehensive loss of QR 276 million in 2016. The Group's other comprehensive income or loss principally comprises its net unrealised gain or loss on AFS financial assets. The Group recorded a net gain on AFS financial assets of QR 929 million in 2014 compared to a net loss on AFS financial assets of QR 662 million in 2015 and a net loss on AFS financial assets of QR 283 million in 2016. These movements principally reflected changes in share prices as quoted on the Qatar Stock Exchange during each year.

AFS financial assets are recorded initially at their fair value plus transaction costs. After initial recognition, AFS financial assets are subsequently re-measured at fair value on each balance sheet date with any resulting gain or loss being recognised as a separate component of equity under other comprehensive income until the



AFS financial asset is sold or impaired at which time the cumulative gain or loss previously recorded in equity is included in the statement of income for the relevant year.

### Total comprehensive income for the year

Reflecting the above factors, the Group recorded total comprehensive income of QR 2,289 million in 2014 (of which QR 2,289 million was attributable to equity holders in 2014) compared to QR 1,407 million in 2015 (of which QR 1,003 million was attributable to equity holders in 2015) and QR 1,529 million in 2016 (of which QR 1,536 million was attributable to equity holders of Ezdan in 2016). The Group's total comprehensive income for the year (attributable to equity holders of Ezdan) decreased by QR 1,287 million, or 56.2 per cent., in 2015, compared to 2014 and increased by QR 534 million, or 53.2 per cent., in 2016, compared to 2015.

### Segmental Analysis

The Group has five financial reporting segments as follows:

- Residential and commercial properties, which comprises the development, ownership, sale and rent of investment properties;
- Investments, which involves buying and selling available for sale equity securities;
- Hotels and suites, which comprises the ownership and management of hotels;
- Mall, which comprises the ownership and management of shopping malls; and
- Publishing and distribution, which comprises the ownership of assets which publish and distribute newspapers.

The table below shows a breakdown of segment profit for each of 2014, 2015 and 2016.

	Residential and commercial properties	Investments	Hotels and suites	Mall	Publishing and Distribution	Adjustments and Eliminations	Total
	<i>(QR million)</i>						
<b>2014</b>							
Rental income.....	1,051	—	217	101	—	—	1,369
Other operating revenue .....	29	2	30	3	—	—	65
Net investment income <sup>(1)</sup> .....	—	770	—	—	—	—	770
Gain on sale of investment properties held for sale .....	24	—	—	—	—	—	24
Gain on revaluation of investment properties.....	53	—	—	—	—	—	53
Other income .....	9	—	—	2	—	—	11
<b>Total income</b> .....	<b>1,168</b>	<b>772</b>	<b>247</b>	<b>106</b>	<b>—</b>	<b>—</b>	<b>2,292</b>
Total expenses <sup>(2)</sup> .....	(758)	(48)	(79)	(47)	—	—	(932)
<b>Segment profit</b> .....	<b>409</b>	<b>724</b>	<b>168</b>	<b>59</b>	<b>—</b>	<b>—</b>	<b>1,360</b>
<b>2015</b>							
Rental income.....	1,210 <sup>(5)</sup>	—	255 <sup>(5)</sup>	108	—	(23)	1,550
Other operating revenue .....	51	4	39	4	—	—	97

	<b>Residential and commercial properties</b>	<b>Investments</b>	<b>Hotels and suites</b>	<b>Mall</b>	<b>Publishing and Distribution</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
					<i>(QR million)</i>		
Net investment income <sup>(1)</sup> .....	—	797	—	—	—	—	797
Gain on sale of investment properties .....	5	—	—	—	—	—	5
Gain on revaluation of investment properties .....	601	0 <sup>(3)</sup>	—	—	—	—	601
Other income .....	18	—	—	1	—	—	19
<b>Total income</b> .....	<b>1,885</b>	<b>801</b>	<b>294</b>	<b>113</b>	<b>—</b>	<b>(23)</b>	<b>3,070</b>
Total expenses <sup>(2)</sup> .....	(834) <sup>(5)</sup>	(58)	(98)	(37)	—	23	(1,004)
<b>Segment profit</b> .....	<b>1,051<sup>(5)</sup></b>	<b>743</b>	<b>196<sup>(5)</sup></b>	<b>75</b>	<b>—</b>	<b>—</b>	<b>2,066</b>
<b>2016</b>							
Rental income .....	1,259	—	242	145	—	(42)	1,605
Other operating revenue .....	20	21	38	7	28	(2)	111
Net investment income <sup>(1)</sup> .....	—	1,465	—	—	—	—	1,465
Other income .....	15	0 <sup>(4)</sup>	—	1	0	—	16
<b>Total income</b> .....	<b>1,293</b>	<b>1,486</b>	<b>280</b>	<b>153</b>	<b>28</b>	<b>(43)</b>	<b>3,197</b>
Total expenses <sup>(2)</sup> .....	(1,129)	(53)	(119)	(83)	(41)	33	(1,392)
<b>Segment profit</b> .....	<b>164</b>	<b>1,432</b>	<b>161</b>	<b>70</b>	<b>(13)</b>	<b>(10)</b>	<b>1,805</b>

Notes:

- (1) Comprises dividend income from AFS financial assets, Net gain realised on the sale of AFS financial assets, Net gain realised on the sale of investments in associates, Share from the results of associates and joint ventures, Gain on acquisition of a subsidiary and acquisition of an associate in 2016, Share of results of associates and a joint venture in 2015 and Share of results of equity accounted investees in 2014.
- (2) Comprises operating expenses, general and administrative expenses, depreciation, impairment loss on available for sale financial assets, loss on revaluation of investment properties and finance costs.
- (3) This figure is QR 141 thousand in the 2015 Financial Statements but it has been rounded to zero pursuant to the rounding adjustments in this Base Prospectus.
- (4) This figure is QR 45 thousand in the 2016 Financial Statements but it has been rounded to zero pursuant to the rounding adjustments in this Base Prospectus.
- (5) This figure has been extracted from the 2016 Financial Statements in order to be consistent in presentation with the 2016 Financial Statements.

### ***Residential and commercial property reporting segment***

Rental income in the residential and commercial property reporting segment increased from QR 1,051 million in 2014 to QR 1,210 million in 2015 and QR 1,259 million in 2016. The increase of QR 158 million, or 15.1 per cent., in 2015, compared to 2014, principally reflected an increase in rent implemented during 2015. The increase of QR 49 million, or 4.1 per cent., in 2016, compared to 2015, principally reflected the impact of higher rental prices agreed in 2015 which also led to an increase in rental income from those rental contracts renewed in the first quarter of 2016.

Total expenses in the residential and commercial property reporting segment increased from QR 758 million in 2014 to QR 834 million in 2015 and QR 1,129 million in 2016.

The increase of QR 75 million, or 10.0 per cent., in 2015, compared to 2014, principally reflected higher finance costs which were partly offset by slightly lower operating expenses and general and administrative expenses in 2015. The increase in finance costs principally reflected a decrease in capitalized finance costs in 2015, compared to 2014, by QR 83 million as certain qualifying assets eligible for capitalization have been substantially completed.

The increase of QR 295 million, or 35.4 per cent., in 2016, compared to 2015, principally reflected an increase in finance costs of QR 224 million due to the completion of certain projects and the decrease in the capitalisation of finance costs compared with 2015. Furthermore, there was an increase in operating expenses of QR 13 million, mainly due to an increase in the cost of utilities, and an increase in general and administrative expenses of QR 30 million.

Reflecting the above factors, the segment profit in the residential and commercial property reporting segment increased from QR 409 million in 2014 to QR 1,051 million in 2015 and decreased to QR 164 million in 2016, an increase of 159.1 per cent. in 2015 compared to 2014 and a decrease of 84.4 per cent. in 2016, compared to 2015.

#### ***Investments reporting segment***

Net investment income in the investments reporting segment increased from QR 770 million in 2014 to QR 797 million in 2015 and QR 1,465 million in 2016. The increase of QR 28 million, or 3.6 per cent., in 2015, compared to 2014, principally reflected increased dividends from AFS financial assets and an increased net gain on the sale of AFS financial assets. These increases were partly offset by a lower share of the results of equity accounted investees.

The increase of QR 668 million, or 83.7 per cent., in 2016, compared to 2015, principally reflected the disposal of certain equity investments (Net gain on sale of investment in associates) to comply with the new thresholds imposed by the Qatar Central Bank and Qatar Financial Markets Authority relating to ownership of listed financial institutions. See “*Description of the Group – Business – Financial investments business*” below for further details on these disposals.

Total expenses in the investments reporting segment increased from QR 48 million in 2014 to QR 58 million in 2015 and decreased to QR 53 million in 2016. The increase of QR 10 million, or 20.5 per cent., in 2015, compared to 2014, principally reflected an increased impairment loss on AFS financial assets. The decrease of QR 5 million, or 8.1 per cent., in 2016, compared to 2015, principally reflected a decrease in the Group’s impairment loss in 2016, compared to 2015.

Reflecting the above factors, the segment profit in the investments reporting segment increased from QR 724 million in 2014 to QR 743 million in 2015 and QR 1,432 million in 2016, increases of 2.6 per cent. in 2015, compared to 2014 and 92.7 per cent. in 2016, compared to 2015.

#### ***Hotels and suites reporting segment***

Rental income and other operating revenue in the hotel and suites reporting segment increased from QR 247 million in 2014 to QR 294 million in 2015 and QR 280 million in 2016. The increase of QR 48 million, or 19.3 per cent., in 2015, compared to 2014, principally reflected an increase in the daily room rate which the Group implemented during 2015. The decrease of QR 14 million, or 4.6 per cent., in 2016, compared to 2015, principally reflected a drop in occupancy rate due to the refurbishment of 130 rooms and a decrease in the average daily room rate from QR 262 to QR 257.

Total expenses in the hotel and suites reporting segment increased from QR 79 million in 2014 to QR 98 million in 2015 and QR 119 million in 2016. The increase of QR 20 million, or 25.0 per cent., in 2015, compared to 2014, principally reflected hiring employees for the pre-opening preparations for two hotels in 2016. The increase of QR 21 million, or 21.2 per cent., in 2016, compared to 2015, principally reflected a provision which was taken for overdue receivables, the increase in staff accommodation costs, as well as a government imposed increase in the cost of utilities.

Reflecting the above factors, the segment profit in the hotel and suites reporting segment increased from QR 168 million in 2014 to QR 196 million in 2015 and decreased to QR 161 million in 2016, an increase of 16.6 per cent. in 2015, compared to 2014, and a decrease of 17.6 per cent. in 2016, compared to 2015.

### ***Mall reporting segment***

Rental income in the mall reporting segment increased from QR 101 million in 2014 to QR 108 million in 2015 and QR 145 million in 2016. The increase of QR 8 million, or 7.6 per cent., in 2015, compared to 2014, principally reflected an increase in the rental rate implemented by the Group during 2015. The increase of QR 37 million, or 34.5 per cent., in 2016, compared to 2015, principally reflected rental income generated by Ezdan World and an increase in the rental rate for certain contracts renewed in the first quarter of 2016.

Total expenses in the mall reporting segment decreased from QR 47 million in 2014 to QR 37 million in 2015 and increased to QR 83 million in 2016. The decrease of QR 10 million, or 20.4 per cent., in 2015 compared to 2014 principally reflected a decrease in the net allowance for impairment of tenant receivables resulted from the implementation of a new policy of collecting rental revenue. The increase of QR 46 million, or 125.0 per cent., in 2016, compared to 2015, principally reflected the total expenses associated with Ezdan World being reported under the mall reporting segment. In addition, there was also an increase in utility rates and an increase in the operating expenses due to the partial opening of the new Malls.

Reflecting the above factors, the segment profit in the mall reporting segment increased from QR 59 million in 2014 to QR 75 million in 2015 and decreased to QR 70 million in 2016, an increase of 28.0 per cent. in 2015, compared to 2014 and a decrease of 7.4 per cent. in 2016 compared to 2015.

## **Liquidity and Capital Resources**

### **Overview**

The Group's principal cash requirements are to fund its operating expenses, its capital expenditure requirements, its AFS investments, its loan repayments and its dividend payments. The Group principally funds these cash requirements using rental and other revenue received, dividends from its associates and AFS investments, sales of AFS investments and borrowings.

The Group's cash and cash equivalents increased from QR 98 million at 31 December 2014 to QR 618 million at 31 December 2015 and decreased to QR 423 million at 31 December 2016, an increase of QR 520 million, or 530.3 per cent., in 2015 and a decrease of QR 195 million, or 31.6 per cent., in 2016. See “—Cash flow data” below.

As at 31 December 2016, the Group had undrawn committed funding lines of QR 3.2 billion with expiry periods of between six and nine months.

### **Cash flow data**

The table below summarises the Group's cash flow from operating activities, investing activities and financing activities for each of 2014, 2015 and 2016.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
	<i>(QR million)</i>		
Net cash flow from operating activities .....	970	2,001	2,726
Net cash flow used in investing activities .....	(266)	(1,977)	(2,283)
Net cash flow (used in) from financing activities .....	(691)	496	(639)
Cash and cash equivalents at 1 January .....	86	98	618

	<u>2014</u>	<u>2015</u> <i>(QR million)</i>	<u>2016</u>
Cash and cash equivalents at 31 December.....	98	618	423

### ***Cash flow from operating activities***

The Group's net cash from operating activities was QR 970 million in 2014 compared to QR 2,001 million in 2015 and QR 2,726 million in 2016. The Group's operating cash flow before working capital changes, which was QR 1,082 million in 2014, compared to QR 1,313 million in 2015 and QR 1,322 million in 2016, principally comprises its profit for the year adjusted to (i) deduct its share of results of equity accounted investees and its net gains on the sale of AFS financial assets and the sale or revaluation of investment properties and (ii) add back its finance costs and impairment losses. The QR 231 million increase in operating cash flow before working capital changes in 2015, compared to 2014, principally reflected a QR 705 million increase in the Group's net profit and the deduction of QR 601 million gain on the revaluation of investment property in 2015 compared to a deduction of QR 53 million in 2014. The increase in cash flow from operating activities from QR 2,001 million in 2015, to QR 2,726 million in 2016, was principally due to a decrease in receivables and an increase in payables during 2016.

In 2015, the Group also experienced a positive change of QR 690 million in working capital compared to a negative change of QR 111 million in 2014.

### ***Cash flow used in investing activities***

The Group's net cash from financing activities in 2014 was QR 691 million compared to net cash used in financing activities in 2015 of QR 496 million and net cash from financing activities in 2016 of QR 639 million.

In 2014, the principal investments made were QR 390 million in payments for the development of investment property (principally the Al Wakrah Mall, the Al Wukair Mall and the Ezdan Palace Hotel) and QR 201 million net in the purchase of AFS financial assets. In the same year, the Group also received QR 163 million in dividends from equity accounted investees and QR 160 million net on maturing short-term deposits.

In 2015, the principal investments made were QR 1,600 million in payments for the development of investment properties (principally the construction of approximately 15,000 housing units on an area of approximately 1.9 million square metres and, to a lesser extent its new hotel) and QR 723 million net in the purchase of AFS financial assets. In the same year, the Group also received QR 198 million in dividends from equity accounted investees and QR 190 million net on maturing short-term deposits.

In 2016, the principal investments made were QR 1,549 million in Ezdan Oasis and the acquisition of four properties in the United Kingdom, which amounted to QR 151 million.

### ***Cash flow from or used in financing activities***

The Group's net cash from financing activities in 2014 was QR 691 million compared to QR 496 million used in financing activities in 2015 and QR 639 million in net cash from financing activities in 2016. The Group's financing activities are borrowing and repaying borrowed money and paying dividends.

In 2014, the Group borrowed a net QR 131 million and paid dividends of QR 822 million. In 2015, the Group borrowed a net QR 1,557 million and paid dividends of QR 1,061 million. In 2016, the Group borrowed a net QR 300 million and paid dividends of QR 937 million.

## Borrowings

As at 31 December 2016, the Group had four types of secured borrowings outstanding and one type of unsecured borrowing with a total carrying amount of QR 15,927 million.

The table below shows the movement in the Group's borrowings in each of 2014, 2015 and 2016.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
		<i>(QR million)</i>	
At 1 January .....	12,076	12,810	14,960
Additional facilities obtained during the year .....	1,825	3,160	3,822
Finance costs.....	602	593	668
Repayments of outstanding facilities during the year .....	(1,694)	(1,603)	(3,522)
<b>At 31 December</b> .....	<u>12,810</u>	<u>14,960</u>	<u>15,927</u>

The Group's borrowings comprise:

- Secured murabaha facilities with Qatari banks and an outstanding aggregate amount of QR 5,121 million at 31 December 2016. The facilities are fully drawn and repayable in quarterly and semi-annual instalments, with the final instalment falling due in 2025. The facilities are denominated in riyal and carry profit at a margin over the Qatar Central Bank's repo rate.
- Secured ijara facilities with Qatari banks and an outstanding aggregate amount of QR 3,997 million at 31 December 2016. The facilities are fully drawn and repayable in quarterly and semi-annual instalments, with the final instalment falling due in 2025. The facilities are denominated in riyal and carry profit at a margin over the Qatar Central Bank's repo rate.
- Secured murabaha facilities with Qatari and other GCC banks and an outstanding aggregate amount of QR 649 million at 31 December 2016. The facilities are fully drawn and repayable in monthly and quarterly instalments, with the final instalment falling due in 2020. The facilities are denominated in U.S. dollars and carry profit at a margin over one- and three-month U.S. dollar LIBOR.
- Secured ijara facilities with Qatari and GCC banks and an outstanding aggregate amount of QR 4,339 million at 31 December 2016. The facilities are fully drawn and repayable in monthly and quarterly instalments, with the final instalment falling due in 2020. The facilities are denominated in U.S. dollars and carry profit at a margin.
- QR 1,821 million trust certificates as at 31 December 2016, under its \$2,000 million trust certificate issuance programme. The trust certificates were issued at an annual fixed profit rate of 4.375% paid semi-annually with a tenor of 5 years maturing on May 2021 and upon maturity the Group will be repurchasing the trust certificates at the issuance price.

At 31 December 2016, the Group's borrowings were secured on (i) investment properties owned by the Group with a carrying amount of QR 15,525 million and (ii) quoted AFS equity securities and investments in equity accounted investees with a carrying value of QR 1,237 million.

Certain of the Group's borrowings contain financial covenants, including:

- a covenant to maintain its tangible net worth (essentially its consolidated share capital and consolidated capital and revenue reserves, adjusted to reflect certain defined factors) at not less than QR 20 billion;

- a covenant to maintain its consolidated debt to equity ratio (with consolidated debt essentially comprising the sum of its total liabilities minus payables, due to related parties and other liabilities and its equity being its equity attributable to equity holders of the parent) at 0.9 times or below; and
- a covenant to maintain a consolidated profit coverage ratio (determined as consolidated profit to financing costs, with consolidated profit essentially comprising the consolidated profit for the year before finance costs, impairment loss on available-for-sale financial assets, depreciation and gain on revaluation of investment properties and financing costs comprising the sum of finance costs recognised in the income statement and capitalised borrowing costs) of not less than two times.

A significant proportion of the Group's funding has been provided by Qatari banks and most Qatari banks have reached their exposure limits in relation to the Group. As a result, the Group is increasingly raising finance from non-Qatari banks and is exploring other sources of funding, such as the issue of the Certificates.

During 2015, the Group entered into an interest rate swap agreement in order to hedge the interest rate risk under its U.S. dollar secured ijara facilities. Under the contract, the Group pays a fixed rate of profit at 1.05 per cent. per annum. As at 31 December 2016, this swap had a positive fair value of QR 6 million.

At 31 December 2016, QR 2,001 million, or 12.6 per cent., of the Group's outstanding borrowings will mature within one year. The table below shows the maturity profile of the Group's outstanding borrowings at 31 December 2016.

	1 year		2-5 years			Over 5 years				Total
	(QR million)									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	
<b>Total</b> .....	2,001	2,255	2,223	1,843	3,353	1,490	1,403	1,270	87	15,927

The Group has undrawn committed facilities of QR 3.2 billion as at 31 December 2016 with expiry periods of between six and nine months.

During 2014, the Group reduced the profit margin on certain Islamic financing borrowings amounting to QR 5,404 million in aggregate by 1 per cent. and extended their maturity to 2024.

Management monitors two borrowing ratios: a net debt to equity ratio and a borrowing to value ratio. The table below shows the calculation of these ratios at 31 December in each of 2014, 2015 and 2016.

	<b>As at 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	(QR million, except where otherwise stated)		
Sukuk and Islamic finance borrowings .....	12,810	14,960	15,927
Less: cash and cash equivalents .....	(98)	(618)	(423)
Net debt <sup>(1)</sup> .....	12,712	14,341	15,504
Total equity .....	30,077	30,381	30,574
Net debt to equity ratio (per cent.) .....	42	47	51
Sukuk and Islamic finance borrowings .....	12,810	14,960	15,927
Fair value of investment properties and AFS financial assets .....	39,407	42,433	45,473

	<b>As at 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<i>(QR million, except where otherwise stated)</i>		
<b>Borrowing to value ratio (per cent.)<sup>(2)</sup></b> .....	33	35	35

Note:

- (1) Means at any time Sukuk and Islamic financing borrowings less Cash and Cash Equivalents.  
(2) Sukuk and Islamic finance borrowings divided by the fair value of investment properties and AFS financial assets.

### Capital expenditure and other commitments

At 31 December 2016, the Group had contractual commitments to contractors and suppliers in connection with ongoing projects in an amount of QR 478 million, of which QR 306 million related to the Emtedad Real Estate development. These commitments reflect amounts which the Group is legally committed to spend in future years.

The table below shows the Group's capital expenditure on development projects in each of 2014, 2015 and 2016 and its currently anticipated capital expenditure on projects in 2017 and 2018.

	<b>Actual</b>			<b>Currently anticipated</b>	
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<i>(QR million)</i>				
Ezdan Oasis .....	—	1,388	1,549	569	643
Al Wakrah Mall .....	71	32	33	—	—
Ezdan Palace Hotel .....	43	29	148	—	—
Al Wukair Mall .....	71	12	1	—	—
Ezdan Village 10 .....	—	—	4	—	—
Ezdan Village 11 .....	—	—	3	—	—
Ezdan Village 18 .....	8	—	—	—	—
Ezdan Village 28 .....	—	—	—	—	—
Ezdan Village 29 .....	—	—	—	—	—
Ezdan Village 32 .....	—	—	1	—	—
Ezdan Village 37 .....	13	—	1	—	—
Ezdan Village 38 .....	15	—	—	—	—
Ezdan Village 39 .....	8	—	7	—	—
Ezdan Village 40 .....	9	—	1	—	—
Ezdan Village 42 .....	52	—	—	—	—
Ezdan Village 8 .....	—	—	3	—	—
Ezdan Village 9 .....	—	—	5	—	—
Police Towers .....	—	—	5	—	—
Abu Baker buildings .....	—	—	25	—	—
Other developments .....	101	118	75	—	—
<b>Total</b> .....	<b>390</b>	<b>1,600</b>	<b>1,853</b>	<b>569</b>	<b>643</b>



No assurance can be given as to the actual amounts of capital expenditure that may be incurred in future periods. The timing and amount of capital expenditure is highly dependent on market conditions, the progress of projects, new opportunities that may arise and a range of other factors outside the control of the Group.

As at 31 December 2016, the Group had contingent liabilities, principally ordinary course bank guarantees and letters of credit, amounting to QR 3 million in aggregate.

## Analysis of certain Statement of Financial Position Items

### Investment properties

The Group's investment properties are properties which are held either to generate income or for capital appreciation or both. The Group's investment properties comprise completed properties and projects under development. The table below shows the breakdown between these categories for each of 2014, 2015 and 2016.

	<b>As at 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
		<i>(QR million)</i>	
Completed properties .....	26,534	26,356	26,402
Projects under development .....	7,683	10,543	9,801
Vacant Land <sup>(1)</sup> .....	—	—	2,716
<b>Total</b> .....	<b>34,217</b>	<b>36,899</b>	<b>38,920</b>

Note:

- (1) The Group began accounting for Vacant Land separately in 2016. In 2014 and 2015, Vacant Land was classified under Projects under development.

Acquired investment properties are initially recorded in the balance sheet at cost, including transaction costs and subsequently remeasured at fair value. Property that is being constructed as an investment property is accounted for using the fair value model.

The fair values of the Group's investment properties are based on market values, being the amount for which the property could be exchanged on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where each party is acting knowledgeably, prudently and without compulsion. Valuations reflect, where appropriate, the type of tenants in occupation or likely to be in occupation, their credit worthiness, the allocation of maintenance and insurance arrangements between lessor and lessee and the remaining economic life of the property.

Any gains or losses on remeasurement to fair value are recorded in the statement of income.

The table below shows the movement in the Group's investment properties during each of 2014, 2015 and 2016.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
		<i>(QR million)</i>	
At 1 January .....	33,855	34,217	36,899
Development costs during the year .....	390	1,600	1,853
Transferred (to)/from investment properties held for sale.....	(359)	288	—
Capitalised finance costs on property under development.....	277	194	44
Gain/(loss) on revaluation of investment properties .....	53	601	(28)
<b>At 31 December</b> .....	<u>34,217</u>	<u>36,899</u>	<u>38,920</u>

The Group' investment properties comprise residential units, offices, hotels and shopping malls. The table below shows a breakdown of the fair value of the Group's investment properties by type at 31 December 2016.

	<u>At 31 December 2016</u>
	<i>(QR million)</i>
<b>Completed properties</b>	
Residential units.....	20,088
Commercial.....	261
Hotels.....	4,852
Shopping malls.....	1,200
<b>Properties under development</b>	
Residential units.....	9,797
Hotels.....	751
Shopping malls.....	1,969
<b>Total</b> .....	<u>38,920</u>

#### **AFS financial assets**

The Group commenced investing in AFS financial assets in 2012.

The table below shows the movement in the cumulative change in fair values of the Group's AFS financial assets during each of 2014, 2015 and 2016.

	<u>2014</u>	<u>2015</u>	<u>2016</u>
		<i>(QR million)</i>	
At 1 January .....	336	1,265	602
Net gain/(loss) on AFS financial assets.....	929	(662)	(283)
<b>At 31 December</b> .....	<u>1,265</u>	<u>602</u>	<u>319</u>

All of the Group's AFS financial assets comprise shares in companies listed on the Qatar Stock Exchange and, accordingly, the fair value of all of the Group's AFS financial assets is determined in accordance with quoted market prices. Certain of these assets are secured against the Group's borrowings, see "*Liquidity and capital resources—Borrowings*" above. For a breakdown of the Group's portfolio of AFS financial assets by sector, see "*Description of the Group—Business—Financial investments business—Investments—Available for sale investments*".

#### **Equity accounted investees**

The Group's borrowings are secured against the investments in certain of its equity accounted investees, see "*Liquidity and capital resources—Borrowings*" above. For a discussion of the Group's equity accounted investees, see "*Description of the Group—Business—Financial investments business—Investments*".

#### **Related Party Transactions**

The Group's principal related party transactions are with its equity accounted investees and companies controlled by its founder and principal shareholder. These transactions include borrowing from an equity accounted investee bank and a construction agreement with a related party to build its investment property. Further information on the Group's related party transactions in 2014, 2015 and 2016 is set out in note 9 to the 2016 Financial Statements and note 10 to the 2015 Financial Statements, respectively.

#### **Disclosures about Risk**

The Group is exposed to a number of financial risks and takes steps to mitigate certain of these risks as described in note 32 to the 2016 Financial Statements.

## DESCRIPTION OF THE TRUSTEE

### General

Ezdan Sukuk Company Limited, a Cayman Islands exempted company with limited liability, was incorporated on 15 February 2016 under the Companies Law (2013 Revision) (as amended) of the Cayman Islands with company registration number 308699. The Trustee has been established as a company for the sole purpose of issuing Certificates under the Programme and entering into the transactions contemplated by the Transaction Documents. The registered office of the Trustee is at P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands, and its telephone number is +1 345 945 7099.

The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 ordinary shares of U.S.\$1.00 each, 250 of which have been issued. All of the issued shares (the “Shares”) are fully-paid and are held by MaplesFS Limited as share trustee (the “Share Trustee”) under the terms of a declaration of trust (the “Share Declaration of Trust”) dated 20 April 2016 under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Declaration of Trust). Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has the power to benefit Qualified Charities (as defined in the Share Declaration of Trust). It is not anticipated that any distribution will be made whilst any Trust Certificate is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

### Business of the Trustee

The Trustee has no prior operating history or prior business and will not have any substantial liabilities other than in connection with the Trust Certificates to be issued under the Programme. The Trust Certificates are the obligations of the Trustee alone and not the Share Trustee. The Trustee is organised as a special purpose entity and consequently does not, and will not, have any significant assets other than the Trust Assets.

The objects for which the Trustee is established are set out in clause 3 of its Memorandum of Association as registered or adopted on 15 February 2016.

### Financial Statements

Since the date of incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

### Directors of the Trustee

The Directors of the Trustee are as follows:

<b>Name:</b>	<b>Principal Occupation:</b>
Martijn Bosch	Vice President, Maples Fund Services (Middle East) Limited
Cleveland Stewart	Senior Vice President of MaplesFS Limited

The business address of Martijn Bosch is c/o Maples Fund Services (Middle East) Limited, Office 616, 6th Floor, Liberty House, Dubai International Financial Centre, P.O. Box 506734, Dubai, United Arab Emirates.

The business address of Cleveland Stewart is c/o MaplesFS Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands. The Trustee has no subsidiaries, employees or non-executive directors.

### **Conflicts**

There are no potential conflicts of interest between the private interests or other duties of the Directors listed above and their duties to the Trustee.

### **The Trustee Administrator**

MaplesFS Limited acts as the corporate administrator of the Trustee (in such capacity the “**Trustee Administrator**”). The office of the Trustee Administrator serves as the general business office of the Trustee. Through the office, and pursuant to the terms of a corporate services agreement entered into between the Trustee and the Trustee Administrator (the “**Corporate Services Agreement**”), the Trustee Administrator performs in the Cayman Islands, the United Arab Emirates and/or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Trustee, including communications with shareholders and the general public, and the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. The Trustee and the Trustee Administrator have also entered into a registered office agreement (the “**Registered Office Agreement**”) for the provision of registered office facilities to the Trustee. In consideration of the foregoing, the Trustee Administrator receives various fees payable by the Trustee at rates agreed upon from time to time, plus expenses. The terms of the Corporate Services Agreement and the Registered Office Agreement provide that either the Trustee or the Trustee Administrator may terminate such agreements upon the occurrence of certain stated events, including any breach by the other party of its obligations under such agreements. In addition, the Corporate Services Agreement and the Registered Office Agreement provide that either party shall be entitled to terminate such agreements by giving at least three months’ notice in writing to the other party with a copy to any applicable rating agency.

The Trustee Administrator is subject to the overview of the Trustee’s Board of Directors.

The Trustee Administrator’s principal office is at P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

The Directors of the Trustee are all employees or officers of the Trustee Administrator or an affiliate thereof. The Trustee has no employees and is not expected to have any employees in the future.

## DESCRIPTION OF THE GROUP

### Introduction

Ezdan was founded in 1960 by HE Sheikh Thani Bin Abdulla Al-Thani and is one of the Gulf region's largest real estate companies. Ezdan also holds significant shareholdings in prominent Qatari companies across a range of sectors. With a market capitalisation of approximately QR 40 billion as at 28 February 2017, it is also one of the largest companies listed on any Arab country stock market in the Arab Region. Ezdan was ranked 51<sup>st</sup> in the top 100 companies in the all industries category in Forbes 500 largest Arab corporations in 2016.

In 2016, the Group had operating income of QR 1,716 million and net investment income and revaluation of investment property of QR 1,437 million. In the same year, the Group's profit for the year amounted to QR 1,805 million, of which QR 1,812 million was attributable to equity holders of the parent. As at 31 December 2016, the Group's total assets were QR 50 billion.

The Group operates in the Qatar real estate sector as an, owner, developer and operator of a large number of different real estate projects in the residential, commercial, retail and hospitality sectors. In particular:

- **residential:** the Group owns a portfolio of approximately 19,550 housing units, principally located in the city of Al Wakrah and Al Wukair municipality, as well as in certain strategic locations in Doha. The Group has a significant ongoing residential development programme with plans to construct around 15,000 additional housing units on an area of approximately 1.9 million square metres by 2019. Approximately 9,000 of these are located in Ezdan Oasis and the Group has capacity to develop a further 6,000 housing units on the remainder of its land bank;
- **commercial:** the Group owns 225 commercial units comprising shops and offices, principally in Doha;
- **retail:** in 2013, the Group opened its first large-scale mall, Ezdan Mall, in the Gharafa area of Al Rayan. The mall has a gross leasable area ("GLA") of 40,487 square metres (m<sup>2</sup>) and had a footfall of approximately 5 million in 2015. The Group's second and third Ezdan Malls in Al Wakrah and Al Wukair had their 'soft' launches in the second half of 2016 and are scheduled to be fully operational by April 2017. The mall in Al Wakrah has a GLA of approximately 40,000 m<sup>2</sup> and the mall in Al Wukair has a GLA of approximately 25,500 m<sup>2</sup>; and
- **hospitality:** the Group owns and manages the four star Ezdan Hotel Westbay in the West Bay area of Doha, which is one of the largest hotels in Qatar with 3,000 keys. The Group also owns, and will, once it has opened, manage, the five star, 210 key, Ezdan Palace Hotel which is located on the Al-Shamal Road in the Gharafa area of Al Rayan. This hotel is scheduled to open in June 2017, with a 'soft' opening planned for April 2017. The Group also manages The Curve Hotel which is a four star hotel located in the Diplomatic Area of Doha which had its 'soft' opening in October 2016 and is scheduled to be fully operational in April 2017. The hotel has 600 keys and is owned by White Square Real Estate, a joint venture in which the Group has a 32.5 per cent. shareholding. All three of these hotels are solely managed by the Group.
- **entertainment:** the Group has a 70.0 per cent. shareholding in Ezdan World, which manages assets in the tourism and recreation sectors. Ezdan World's main activity is the management of the operations of the Magical Festival Village, a 50,000 square metre tourist attraction located next to the Katara Cultural Village, north of Doha.

In 2012 Ezdan acquired a portfolio of financial investments in prominent Qatari companies operating principally in the banking, insurance, healthcare and media sectors from Tadawul Holding Group (a sister company of Ezdan which is also majority owned by the Group's Chairman). This acquisition was part of a diversification strategy and the Group is focussed on the management of the portfolio for sustainable growth. These investments include:

- **banking and insurance:** the Group's principal investments in this sector are in three Qatari Islamic banks and one Qatari Islamic insurance company. The banks are Qatar International Islamic Bank Q.S.C. in which the Group has a 20.0 per cent. shareholding as at 31 December 2016 and which is accounted for as an associate and Qatar Islamic Bank and Masraf Al Rayan Q.S.C., in which it has shareholdings of 10.26 per cent. and 5.21 per cent., respectively and which are both accounted for as available for sale investments. The insurance company is Qatar Islamic Insurance Company Q.S.C. in which the Group has a 10.0 per cent. shareholding as at 31 December 2016, and which is accounted for as an associate;
- **healthcare:** as at 31 December 2016, the Group has a 13.3 per cent. shareholding in MCG, which owns and operates the largest private hospital in Qatar, the Al-Ahli Hospital, and which is accounted for as an associate. The Group's founder, HE Sheikh Thani Bin Abdulla Al-Thani, and companies controlled by him control approximately 45 per cent. of MCG's capital; and
- **media:** as at 31 December 2016, the Group has a 44.8 per cent. shareholding in Dar Al-Sharq for Printing, Publishing and Distribution W.L.L., which publishes both the Al Sharq daily newspaper in Qatar and the English language daily newspaper, The Peninsular Qatar, and which is accounted for as an associate and also has a 74.5 per cent. shareholding in Dar Al-Arab W.L.L., which publishes the Al Arab daily newspaper in Qatar and which is accounted for as a subsidiary.
- The Group's founder and companies controlled by him control more than 70 per cent. of Ezdan's share capital. The remaining shares are principally owned by a charitable endowment, Waqf Sheikh Thani Bin Abd Allah Al-Thani which is managed by the Group's founder, and around 5 per cent. are owned by other shareholders. Once shares have been endowed as Waqf, they cannot be sold or re-transferred to the person making the endowment.

## History

Ezdan was founded in 1960 as Sheikh Thani Bin Abdullah Al-Thani Est., an unincorporated sole proprietorship. On 24 May 1993, it was converted into a limited liability company with an initial share capital of QR 200,000. In October 2007, Ezdan became a Qatari shareholding company (QSC) and increased its share capital to QR 4.6 billion. In 2008, Ezdan was listed on the then Doha Stock Exchange (now the Qatar Stock Exchange) and, in October 2012, it assumed its current name, Ezdan Holding Group, a fully Sharia-compliant company. The Obligor was included in the MSCI Index and FTSE Russell's Global Equity Index Series in May 2015 and September 2016, respectively.

The Group principally focused on its real estate business after its listing in 2008. On 4 November 2009, the Group acquired the International Housing Group (which was then owned by its founder) in a transaction that resulted in Ezdan increasing its share capital to its current level of QR 26 billion and which had a significant portfolio of completed and under construction residential villages, including the initial villages in Al Wakrah and Al Wukair. Since 2012, the Group has adopted a strategy of diversifying its activities through investment in prominent Qatari companies which it believes have strong growth prospects across a range of industry sectors.

Ezdan is incorporated for an unlimited duration under Qatar Commercial Companies Law No. 11 of 2015 with commercial registration number 15466.

## **Strategy**

The Group has a two-fold strategy:

- developing and maintaining affordable real estate properties throughout Qatar; and
- diversification through investments in non-real estate related sectors in Qatar.

### **Real estate strategy**

The Group's long-standing real estate strategy is to develop available land and design affordable housing in compound villages in different locations in Qatar, including Doha city, Al Wakrah, Gharafa and Al Wukair, which cater to the lower middle to middle income segment of the population which the Group believes comprises more than half of the housing market in Qatar. It is also diversifying its activities by developing malls, hotels, office units and entertainment venues, all of which are integrated under the Ezdan brand.

The Group's general pricing strategy for each of its different real estate projects in the residential, commercial, retail and hospitality sectors involves offering pricing at levels that are lower than current market rates. Additionally, for its portfolio of residential units, the Group's strategy involves offering competitive pricing through the provision of a large number of free months during the lease tenure. The Group's pricing strategy is usually reviewed every year with rent increases implemented depending on the real estate market. In 2014, the Group implemented an increase of approximately 15 per cent. compared to 2013. In 2015, the Group implemented an increase of approximately 10 per cent. by increasing the rental rates payable compared to 2014. In 2016, due to market conditions, the Group did not implement a rent increase.

The Group seeks to align its activities to the needs of the Qatari market in order to both contribute to the achievement of, and satisfy demands created by, the implementation of the Qatar National Development Vision 2030. The Group participates in many activities of the Qatari community and is also a sponsor of a number of national events both as part of its corporate social responsibility programme and to deliver value for its shareholders.

### **Financial investment strategy**

In 2012 Ezdan acquired a portfolio of financial investments in prominent Qatari companies which it believes offer a potential for long-term capital growth. The Group currently targets listed companies in the banking, insurance, healthcare and media sectors as it believes that they offer higher growth potential and are more regulated. In addition, the Group seeks to invest in companies that demonstrate sound management, strong financial performance and a commitment to strong corporate governance.

The Group regularly conducts research and analysis in relation to potential investments. Once a suitable investment opportunity is identified, the Group conducts thorough due diligence before seeking formal approvals for the proposed investment.

The Group seeks to work proactively with its subsidiary and other investee companies in the areas of finance, strategy and corporate governance with a view to helping them deliver superior and sustainable returns.

## **Business Strengths**

### **Sustainable economic growth and outlook**

Qatar's economy has expanded significantly in recent years, with real GDP growing by 13.4 per cent. in 2011 according to the IMF's World Economic Database October 2016. Growth has been slower since 2011 at 4.9



per cent. in 2012, 4.6 per cent. in 2013, 4.0 per cent. in 2014 and 3.7 per cent. in 2015. The IMF predicts growth to be around 3 per cent. in each of 2016, 2017 and 2018.

Aligned to the Qatar Development Vision 2030, future economic growth in Qatar is expected to be driven by expansion in non-hydrocarbon activities propelled by investment spending and population growth. The financial services, real estate, transport and communications, and business services sectors are expected by Ezdan's management to benefit from large infrastructure projects and property development. In addition, based on Qatar's economic outlook data, Ezdan's management also expects demand for services from the trade and hospitality sectors to remain healthy, in line with forecast population growth and rising numbers of visitors to the country.

Based on government-announced plans, management expects construction to continue recording strong growth during the next few years as a result of planned public investment projects, including health centres and education facilities, local roads, railways and expressways. The building of stadiums and other infrastructure for the FIFA World Cup 2022 is also expected to drive the construction sector as a whole while private construction activity, centred on residential and commercial real estate development including new malls, hotels and labour accommodation, is also expected to support the expansion of the construction sector as a whole.

The Group believes that it is well positioned to take advantage of these trends both through its real estate business and its investments in the health care, financial services and media sectors.

### **Successful track record**

Since 1960, Ezdan has successfully evolved from a sole proprietorship to one of the largest real estate development groups in the GCC, with significant shareholdings in prominent Qatari companies across a range of sectors. Ezdan is listed on the Qatar Stock Exchange and had a market capitalisation of approximately QR 40 billion as at 28 February 2017.

In the five years up to 31 December 2016, the Group's operating revenue has grown at a compound annual growth rate of 34 per cent. This growth has been driven by a rising population and increased economic activity in Qatar, which has enabled the Group to consistently increase its rental rates and undertake large scale real estate developments.

### **Cost-effective project developments**

A significant proportion of the Group's project construction has been undertaken by a related party, SAK, which is wholly-owned by the founder of Ezdan and undertakes the construction work on commercially favourable terms compared to external contractors. Though the Group's tendering and procurement team circulates invitations to submit proposals to external contractors, the Group tends to use external contractors where SAK is not in a position to undertake those aspects of the relevant project construction requiring such specific external contractors due to the preferable terms offered by SAK compared to external contractors.

### **Integrated and diversified investment portfolio**

The Group is the leading real estate development and management company in Qatar in terms of the number of units rented, with profitable integrated developments in the residential, commercial, retail and hospitality sectors within Doha and elsewhere in Qatar.

Its landmark developments include 25 villages with more than 15,200 housing units in Al Wakrah, Al Wukair, the Ezdan Hotels Westbay – which has 3000 keys – and the Ezdan Mall Al Gharafa, which cater to a diverse income base in Qatar. It is expected that two more hotels and two more shopping malls, under the Group's management will become fully operational in the second quarter of 2017.

In addition to its real estate portfolio, the Group has diversified its concentration risk through yield generating investments in different industry sectors, including the financial, insurance, health and media industries.

### Strong asset base

The Group has a significant asset base. As at 31 December 2016, the Group had investment properties with a fair value of QR 38.9 billion, available for sale financial assets with a fair value of QR 6.6 billion and investments in associates and joint venture with a carrying value of QR 3.3 billion. As at the same date, the Group's borrowings amounted to QR 16 billion.

### Strong ownership and management

Ezdan is owned by H.E. Sheikh Thani Bin Abdullah Bin Thani Al-Thani, who is a respected and influential figure in Qatar, owning significant shareholdings in a number of prominent Qatari companies.

Ezdan is managed by prominent board members and executives, who are leading Qatari businessmen with diversified interests in the banking, real estate, insurance, healthcare, media, information technology and travel industries. See "*Management and employees—Management*".

## Business

### Overview

The Group has two core businesses: (1) real estate development and management; and (2) financial investments. The Group has four reporting segments for financial purposes. Three of these segments relate to its real estate business and the remaining segment relates to its financial investments business.

The Group's real estate-related reporting segments are:

- **residential and commercial property**, which comprises the business of developing, owning, leasing and selling residential and commercial real estate and which generates significant rental income as well as a limited amount of other operating revenue and net income from the sale and revaluation of investment properties;
- **hotels and suites**, which comprises the management of hotels, suites and restaurants and generates rental income and a limited amount of other operating revenue; and
- **malls**, which comprises the management of shopping malls and generates rental income and a limited amount of other operating revenue.

The Group's fourth reporting segment, investments, comprises the purchase and sale of equity and debt investments and generates significant net investment income.

The table below summarises the income and net profit generated by each segment in 2016 as well as the assets of each segment at 31 December 2016.

Real Estate Business			Investments Business			Adjustments and Eliminations	Total
Residential and commercial properties	Hotels and suites	Mall	Investments	Publishing and Distribution			
<i>(QR million)</i>							

Year ended 31 December

	Real Estate Business			Investments Business			Total
	Residential and commercial properties	Hotels and suites	Mall	Investments	Publishing and Distribution	Adjustments and Eliminations	
				<i>(QR million)</i>			
<b>2016</b>							
Rental income.....	1,259	242	145	—	—	(42)	1,605
Other operating revenue .....	20	38	7	21	28	(2)	111
Net investment income <sup>(1)</sup> .....	—	—	—	1,465	—	—	1,465
Other income .....	15	—	1	0	0	—	16
<b>Total income</b> .....	<b>1,293</b>	<b>280</b>	<b>153</b>	<b>1,486</b>	<b>28</b>	<b>(43)</b>	<b>3,197</b>
Total expenses <sup>(2)</sup> .....	(1,129)	(119)	(83)	(53)	(41)	33	(1,392)
<b>Segment profit</b> .....	<b>164</b>	<b>161</b>	<b>70</b>	<b>1,432</b>	<b>(13)</b>	<b>(10)</b>	<b>1,805</b>
<b>As at 31 December 2016</b>							
<b>Total assets</b> .....	<b>34,164</b>	<b>5,040</b>	<b>1,305</b>	<b>9,967</b>	<b>53</b>	<b>(931)</b>	<b>49,829</b>

Notes:

- (1) Comprises the sum of Dividend income from available for sale financial assets, Net gain on sale of available for sale financial assets, Net gain on sale of investments in associates, Share of results of equity accounted investees, Gain on acquisition of associate and Gain on acquisition of a subsidiary.
- (2) Comprises Operating expenses, General and administrative expenses, Depreciation, Impairment loss on available for sale financial assets, loss on revaluation of investment properties and Finance costs.

## Real-estate business

### Introduction

The Group owns and manages the leasing of a wide range of assets within its investment property portfolio, enabling it to secure long-term recurring rental income and to maximise long-term asset value. These assets currently comprise:

- approximately 15,200 housing units in 23 residential villages in Al Wakrah and Al Wukair as well as approximately 4,350 units in 25 residential buildings in Doha, together with 225 commercial units comprising shops (excluding malls and hotels) and offices, which are all reported in the residential and commercial property reporting segment;
- one hotel in Doha, which is reported in the hotels and suites reporting segment;
- a shopping mall in Doha, which is reported in the mall reporting segment; and
- a tourist attraction in Doha, which is reported in the mall reporting segment.

The Group owns an additional hotel that will be fully operational in the second quarter of 2017, for which it is the sole manager. The Group also owns two additional malls, which will be officially opened in April 2017 and is party to a joint venture that owns a hotel which the Group will manage once the hotel is open officially. All four of these properties are due to become fully operational in 2017.

The Group typically only sells real estate assets when it is able to secure high returns. In 2014, it sold certain properties generating a gain on sale of QR 24 million. In 2015, it sold certain properties generating a gain on sale of QR 5 million. In 2016, it sold no properties.

### ***Typical leasing terms***

In Qatar, the market practice is to use short-form standard contracts for residential, commercial and retail tenancies. The Group has adopted a standard lease contract which includes the following provisions:

- ***lease term***: this is typically a renewable one-year period for bulk residential leases and a period that is renewable on an annual basis for individually negotiated residential leases, although there are limited exceptions. In many of its residential developments, the Group's strategy is to seek to let a proportion of the development on bulk tenancies, which generally have longer terms but are lower yielding, with the balance being let on individually negotiated tenancies once an initial critical mass has been achieved. In its commercial premises, the lease terms are individually negotiated with the tenants. In its retail malls, the Group seeks to attract anchor tenants on generally longer term leases as this helps to attract other tenants. The typical lease term in its commercial office properties is between three and five years.
- ***rent***: this is typically required to be paid on a periodic basis and in advance and usually includes a service charge amount.
- ***service charges***: service charges include the costs incurred in managing, cleaning, maintaining and repairing the leased property and any property in common use; costs of utilities; and other costs. These are typically paid by the landlord for residential assets and by tenants for commercial and retail assets.
- ***maintenance***: the Group is responsible for maintenance of the properties and aims to perform minor maintenance within three to six days of being notified and major maintenance within 10 to 30 days of being notified;
- ***promotion fund***: the tenant in certain retail malls and other similar premises may be obliged to pay for the promotion of premises and for special occasion and seasonal decorations.
- ***assignment, sub-letting and other transfers***: the tenant cannot assign, sublet, transfer or otherwise deal with the premises, without the prior written consent of the landlord.
- ***default provisions***: these include events of default for non-payment of rent by the tenant if this is not remedied within a defined period, breach of any other term of the lease by the tenant which is not remedied within a defined period and bankruptcy of the tenant. If an event of default occurs, the landlord may terminate the lease and re-let the property.

The standard form lease for residential, commercial and retail properties also contains more detailed provisions on the tenant's obligations and the use of the relevant property relating to, amongst other matters:

- use of premises;
- conduct of business;
- insurance;
- fitting out work;
- repair and alterations;
- fire and emergency; and
- rights of entry and access.

### **Key tenants**

The Group's 10 largest tenants in terms of rental income accounted for 14 per cent. of its rental income in 2016. The table below shows each of the top tenants, its original and remaining lease terms.

<b>Tenant</b>	<b>Original term</b>	<b>Remaining term<sup>(3)</sup></b>	<b>Total rent amount<sup>(1)</sup></b>
Qatar Armed Forces.....	1 year	7 months	QR 30 million
Ministry of Economy and Finance.....	5 year	2.3 years	QR 116 million
HBK Contracting Company <sup>(2)</sup> .....	1.6 year	1 month	QR 32 million
Hamad General Hospital <sup>(2)</sup> .....	3 year	1.7 years	QR 151 million
QAPCO .....	5.5 years	2 years	QR 94 million
Qatar Airways.....	2.2 year	9 months	QR 77 million
Qatar Red Crescent <sup>(2)</sup> .....	2 years	3 months	QR 27 million
Binladin Group .....	1.6 years	11 months	QR 21 million
ACS Doha International School <sup>(2)</sup> .....	4 years	2.5 years	QR 36 million
The Torch Hotel.....	2 years	1.5 years	QR 28 million

Notes:

- (1) Total rent amount for the full duration of the lease.
- (2) These contracts were entered into during 2015.
- (3) Remaining term as of 31 December 2016.

Both QAPCO and Qatar Airways occupy a full village consisting of four-bedroom, three-bedroom and two-bedroom properties. The remaining tenants are located across the Group's other villages. The operational management of the villages is responsibility of the Group's real estate division.

### **Rent arrears**

From time to time the Group experiences tenant defaults in payment of rent, although as rents are usually paid in advance these are immaterial (approximately 0.1 per cent. of total rental income). The Group's policy in relation to late payments of rent is to follow up the missed payment with the tenant or to deduct the security deposit already collected against the missed payment and, where appropriate and in a timely manner, to terminate the lease and re-let the property. Overdue rental amounts are recorded in the Group's balance sheet as trade receivables and are reviewed quarterly and impaired if collection is judged to be doubtful.

### **Property development**

The Group undertakes large-scale development projects for its own account. These projects include commercial office and residential property developments, retail developments and hotel and leisure facilities. The Group's property development is principally designed to deliver investment properties which the Group manages for income generation and capital appreciation. The Group's developed properties are constructed by third parties and operated by Group companies.

The Group's development control process is described below under "*—Real estate development business model*".

The Group has been, and continues to be, involved in a significant number of development projects for its own investment use. These include:

- completed projects that have been retained as investment properties (which are discussed below under “—*Investment properties portfolio*”); and
- other projects currently under development (which are discussed under “—*Developments in progress*” below).

### ***Investment properties portfolio***

The table below provides summary information on the Group’s completed investment properties at 31 December 2016.

<b>Property type</b>	<b>Location</b>	<b>Aggregate plot size</b> <i>(square metres)</i>	<b>Aggregate fair value</b> <i>(QR million)</i>
Residential.....	Doha	222,790	5,230
Residential.....	Al Wukair	1,964,525	14,607
Residential.....	United Kingdom	19,930	139
Commercial.....	Doha	3,064	261
School .....	Doha	11,197	113
Mall.....	Rayan, Doha	66,046	1,200
Hotel.....	West Bay, Doha	30,266	4,852
<b>Total.....</b>		<b>2,329,370</b>	<b>26,402</b>

### ***Residential***

The Group’s residential real estate investment properties are managed by Ezdan Real Estate Company (“**EREC**”). The Group owns and leases approximately 19,550 diverse real estate units in Al Wukair and Al Wakrah as well as in various locations in Doha. The Group’s residential units are leased on a fully furnished basis and cater to various income categories.

The Group’s rental policy is to provide its fully furnished residential units at competitive prices. Most of the units are located in residential villages and compounds.

Al Wakrah is the capital city of the Al Wakrah Municipality in Qatar. It is located on the Gulf and was originally a small fishing and pearling village. Over the years, it has evolved into one of the major cities in Qatar. Al Wukair is a settlement in Qatar, located in the Al Wakrah Municipality. It is 15 minutes away from Doha and is located near the city of Al Wakrah. The government of Qatar has invested, and continues to invest, in the infrastructure of both Al Wakrah and Al Wukair, with a view to improving the facilities of existing residents and increase capacity to allow for future population growth.

The Group manages approximately 15,200 residential units in Al Wukair. These units comprise villas and apartments distributed over 25 residential villages and are priced economically to cater to a diverse segment of the middle-income population. These villages accommodate more than 14,000 tenants. All Ezdan villages have health clubs, sports facilities, medical clinics, mosques, ambulance services, swimming pools, shopping facilities, event halls, parking and green spaces with dedicated children’s play areas.

Residents in Ezdan villages can take advantage of a range of Ezdan Plus services, including house cleaning, health care, insurance, events and wedding planning, travel and tourism, emergency car maintenance, limousine service, car rental, and transport and shipping. In addition, the Group provides bus transport from all Ezdan villages to five major areas in the heart of Doha, including the Group’s Ezdan Mall Gharafa.

The Group also has more than 4,350 residential units spread over 20 residential buildings and compounds in Doha. All residents in these buildings benefit from the Ezdan Plus service. The two major real estate properties in Doha are:

- Musharib Shurta Towers Compound, which is located in the heart of Doha near Souq Waqif, at the Corniche area and was opened in the fourth quarter of 2013. The compound includes eight 10-storey towers containing 914 apartments ranging in size from one to four bedrooms and constructed over an area of 16,183 square metres. The compound also includes two fitness centres and dedicated underground parking for every unit.
- Al Shamal Compound, which is located on the Al Shamal Road (which is considered to be the liveliest street in Doha) and was opened in February 2014. The compound is spread over an area of approximately 115,000 square metres and comprises 129 luxury villas ranging in size from three to five bedrooms, 256 apartments ranging in size from two to three bedrooms, all of which are fully furnished. Residents in Al Shamal benefit from a range of restaurants, soccer fields, tennis courts, billiard halls, a fitness centre, bank branches and ATMs, a swimming pool, shops, nurseries, a library, a ballroom, a mosque and a large supermarket, as well as shaded parking.

#### *Commercial*

The Group has a portfolio of 225 commercial units comprising shops and offices located near the Airport Road of Doha. These offices are fully occupied by a diverse group of companies, including businesses related to newspaper publishing, charity and construction.

#### *Hospitality*

The Group currently owns and, through Ezdan Hotels Company (“EHC”), manages one hotel in Qatar, with two further hotels scheduled to become fully operational in April 2017, at which point the Group will manage approximately 15 per cent. of the available hotel rooms in Doha. Each of these hotels is, or will be when opened, fully Shari’a-compliant. The Group is committed to provide professional and high-end services to its hotel guests. It seeks to continue to develop its hotel facilities and to offer a range of premium services. The Curve Hotel Tower is owned through a joint venture in which the Group has a 32.5 per cent. shareholding. The Group’s currently operating hotel is:

- Ezdan Hotels Westbay. This three star hotel is one of the largest hotels in Qatar and is located in West Bay in central Doha. The hotel has 3,000 keys and offers services including an Olympic-sized swimming pool, a health club, four international restaurants and a supermarket. It also has a convention centre which includes six halls that are fully equipped with state of the art audio visual equipment and technology and which can be used for conferences and celebrating events for both businesses and individuals. The apartments, studios and suites at the hotel offer premium views over the Arabian Gulf as well as the heart of Doha. In 2016, the Ezdan Hotels Westbay had an average daily room rate of QR 257 and recorded an occupancy rate of 86.0 per cent. Its revenue per available room (which is calculated by multiplying the average daily room rate by the occupancy rate) was QR 221 in 2016, QR 236 in 2015 and QR 200 in 2014.

The Group’s two hotels which will become fully operational in 2017 are:

- Ezdan Palace Hotel, which is expected to officially open in June 2017. This five star hotel enjoys a premium location on the way to Doha International Airport and is situated strategically in close proximity to a number of major institutions such as the Qatar Foundation, Qatar University and Qatar Convention Center. The hotel has 210 keys, will be spread over a total area of 45,462 square metres and offers a wide range of facilities and services, including four restaurants, an events hall that can

accommodate more than 1,000 guests, a conference centre, an outdoor swimming pool, a fitness centre, a spa and approximately 400 parking spaces; and

- The Curve Hotel Tower, which is expected to officially open in April 2017, following a 'soft' launch in October 2016 and is located in the West Bay area of Doha. This four star hotel comprises a 24-storey, 600 key, hotel tower with a range of restaurants, a fitness centre, swimming pool, meeting rooms and other facilities. The hotel has approximately 320 parking spaces. The Group has been appointed as the manager of the hotel.

### *Malls*

The shopping mall sector is considered a major growth sector in Qatar. The Group currently has a single fully operational mall and two further malls which are currently scheduled to become fully operational in April 2017.

The Group's operating mall is the Ezdan Mall Gharafa. This mall was opened in April 2013. It is located in a strategic geographic and commercial location in the Gharafa area and is surrounded by other shopping centres, a hypermarket and other facilities. The mall has a total of 170 stores, of which approximately 70 (including a number of international brands) were first-time stores in Qatar, and a GLA of 40,487 square metres. The mall also offers a range of restaurants and cafes as well as leisure and entertainment options. The mall has more than 2,000 parking spaces, most of which are shaded and visitors benefit from lounges and free fruit and water in the mornings.

The table below shows summary information in respect of the Group's Gharafa shopping mall for 2014, 2015 and 2016.

<b>Mall</b>	<b>Year ended 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
Rental income ( <i>QR million</i> ) .....	101	108	145
GLA occupancy rate ( <i>per cent.</i> ) .....	94	99	99
Footfall ( <i>million</i> ) .....	4	5	5
Tenant sales ( <i>QR million</i> ).....	697	833	800

The Group's two malls due to become fully operational in April 2017 are:

- Ezdan Mall Al Wakrah. This mall is located in front of Al Wakrah Hospital in Al Wakrah City and will be the first mall in the city. It is built on an area of approximately 76,000 square metres and is currently scheduled to be fully operational in April 2017. The mall has a GLA of 40,000 square metres, of which approximately 85 per cent. has been pre-leased. The mall will offer a range of restaurants and family entertainment facilities.
- Ezdan Mall Al Wukair. This mall, which is located in Al Wukair, will comprise 11 two-storey buildings, with facilities including shops, offices and clinics as well as 510 parking spaces. The total area on which the mall stands is approximately 53,000 square metres. This mall is currently scheduled to be fully operational in April 2017 and has a GLA of 25,500 square metres, of which approximately 70 per cent. has been pre-leased.

The Group enters into lease agreements with its mall tenants, the duration of which varies by tenant, and typically commences negotiations regarding the renewal of lease agreements approximately six months prior to the expiration of a lease agreement. The lease term for anchor tenants typically varies from 10 to 20 years,



for major tenants from between five to 10 years and for line stores from between one to five years. The average lease term in the Group's Gharafa mall as at 31 December 2016 was five years. Maximum lease terms are 20 years. The Group also enters into leases of one year or less for tenants operating counters, carts, kiosks and mall media in each mall. Under the terms of the lease agreements, some major tenants have a restrictive clause preventing them from opening a competing store within a defined radius. In addition, tenants typically do not have the right to rescind their lease agreements except in limited cases and the Group has the right to rescind certain line tenants' lease agreements in the event they do not achieve certain sales thresholds.

The fit-out of individual stores is the responsibility of the tenant subject to approval by the Group. Tenants are also responsible for all repairs and maintenance to their leased area over the lease period and must vacate the premises at the end of the lease period as found prior to fit-out.

Lease rental fees contain a number of fixed elements linked to the area of floor space under lease, along with a variable rent element calculated based on the tenant's gross sales. This variable rent element is automatically converted to base rent at the start of a new lease year. Each lease is negotiated separately and there is no set formula for rents applied across all tenants.

### ***Developments in progress***

The table below provides summary information on the Group's current investment properties under development at 31 December 2016.

<u>Property type</u>	<u>Location</u>	<u>Aggregate plot size</u> <i>(square metres)</i>	<u>Aggregate fair value</u> <i>(QR million)</i>
Residential Villages.....	Al Wukair	1,000,000	6,239

### ***Ezdan Oasis***

Ezdan Oasis is the first project undertaken by Emtedad Real Estate and is the largest real estate project currently under development in Qatar. The project is a mixed-use development comprising apartments, shops, schools, sports clubs and mosques. In total, the project will have approximately 8,769 residential units (of which 2,000 units will be delivered in the third quarter of 2017).

### ***Land bank***

The Group owns a significant land bank of 1.9 million square metres, of which 1.0 million square metres is currently being utilised at Ezdan Oasis, with the development of the remaining 0.9 million square metres scheduled to start in 2018. This land was purchased at relative low price more than a decade ago.

### **Project Development Process**

All of the potential projects that are considered by the Group go through at least a seven stage project development process, as follows:

- project idea creation and project definition;
- market and feasibility studies;
- project approvals;
- developer, project resource allocation and construction;
- project completion and handover;
- operations, leasing and facilities; and

- post-completion improvements and renovation.

### ***Project idea, creation and project definition***

Projects are typically conceived through management initiatives, Board discussion or third party proposals.

An internal assessment team is formed and tasked with information gathering, including at least:

- the location of the proposed project and details of other Group projects in the same neighbourhood;
- an assessment of the competition in the proposed market;
- a list of similar own and third party projects in the construction stage;
- the capital funding requirement for the proposed project and an assessment of the Group's cashflow to support the proposed project;
- the nature of the approvals required for the proposed project;
- a list of country economic indicators from an approved outside source;
- the proposed project return on investment rate measured against the Group's required rate of return;
- a detailed analysis of operating expenses expected after the project opens, which is informed by past operating experience of similar projects; and
- the key stakeholders that will be involved with the proposed project.

Once management is satisfied with the assessment, an internal management report summary is developed that includes the project definition. This is passed to internal departments for further development, as follows:

- the Group's engineering department, to develop preliminary drawings, concepts, locations and engineering technical details;
- the Group's government relations department, to gather further information on the approvals that will be needed;
- the Group's legal department, to identify the contractual documents that will be required for the proposed project;
- the Group's human resource department, to outline the manpower resources allocation; and
- the Group's finance department, to outline and prepare essential financial information on the proposed project.

### ***Market and feasibility studies***

At this stage, a formal feasibility and market study is commissioned, typically from one of the major accounting firms.

The feasibility study covers a range of matters, including:

- identification of critical success factors;
- a strengths, weaknesses, opportunities and threats (SWOT) analysis;
- a projected income and expense statement;
- an analysis of the key financial risks;

- an investment model;
- forecast investment returns;
- the proposed real estate development strategy and operational behaviour; and
- an analysis of development sustainability.

### ***Project approval***

The feasibility study together with a formal internal management report are submitted to management and considered by, among others, the Head of Engineering, the Chief Financial Officer (the “CFO”), the Chief Operating Officer and the Group Chief Executive Officer (the “CEO”). The key factors that are typically considered are:

- the skills and resources available, including any partners involvement;
- the cost of capital;
- the risk assessment of the project; and
- the financial budget and any constraints.

Once management approves the feasibility study and management report, the Board considers the project, particularly in the context of the Group’s overall strategy and risk appetite, as well as the financing strategy and the cost/benefit analysis. At this stage, the project may be approved, rejected or returned for further investigation and analysis of specific aspects.

### ***Developer, project resource allocation and construction***

Project construction is usually undertaken by a related party, SAK, because SAK typically offers to undertake the construction work for the Group on more commercially favourable terms compared to external contractors. The Group’s tendering and procurement team circulates invitations to submit proposals to potential contractors. Tenderers for these aspects are selected based on their track record, their ability to complete the work and their relevant experience. The tendering and procurement team evaluates the tenders received and submits its recommendation to management or, in the case of very large tenders, the Board for approval.

A detailed technical and financial plan is developed regarding the project. During the construction phase, the Group’s engineering department is involved to give feedback and advice on the project.

Infrastructure around and within the Group’s properties is usually developed independent of the property development. Typically, any infrastructure related to the property development, such as earth works and utility works (for example, district cooling stations, laying relevant pipelines for water and sewerage and establishing the electrical and telecommunications networks) is developed before the contractor starts the building work. Any necessary small road works are also completed before the major construction work starts. Any required major road works are usually carried out by an independent contractor as a separate building contract.

### ***Project completion and handover***

Upon completion of the construction, the developer hands the property over to the Group once the Group’s engineering department has confirmed that all snags have been completed. At this point, a post-handover process is performed with at least the following points discussed and, where required, implemented:

- identification of any extra improvements that were not initially included in the project;

- identification of any furniture and equipment required for the property;
- identification of any ancillary modifications to the property to harmonise the property scheme with the Group's current brand name; and
- identification of any internal room modification or extension.

Also at this stage, any remaining approvals required to operate the property are obtained.

### ***Operations, leasing and facilities***

The Group's management company, Ezdan Real Estate, develops the leasing management plan, including:

- the property lease strategy (for example, family village, bachelor village, corporate tenants, leasing terms and conditions, furnished or not furnished);
- the pricing structure (monthly rate, other rates, free months and fees);
- the expected lease commencement date; and
- the major lease terms.

A marketing strategy is developed to implement the leasing management plan. Typically, the Group's marketing department carries out branding, advertising and telesales work. Prospective tenants are shown the property before renting out. Tenants are required to pay an initial security deposit equal to one month's rent and to present post-dated cheques against the lease term.

Facilities and maintenance services are provided by Ezdan Real Estate. These include swimming pool maintenance, garbage removal, gym maintenance, children's area improvements and minor road and landscaping work.

### ***Post-completion improvements and renovation***

During the operation of the property, the Group might seek to improve or renovate it, for example by:

- replacing existing furniture with new furniture;
- add a larger swimming pool and introducing additional facilities; and
- renovating rooms.

The Group's experience is that subsequent renovations and improvements typically attract better tenancy rates and thus improve the Group's cash inflow and increase the value of the affected properties.

### ***Payments policy***

The Group generally makes progress payments to its contractors. Contractors issue a progress payment certificate ("PPC") along with an invoice on completion of each completed stage of work under the contract. The PPC and invoice are certified and approved by an external management consultant and the project director. Typically, 10 per cent. from each progress payment is deducted as a retention.

Final payment, including the retention, is only made to contractors after:

- the contractor's notification of completion is received and verified;
- the completion of final inspection by the Group's consultants and project directors to establish completion;

- a taking over certificate (“**TOC**”) is issued, which allows some issues to be addressed and incomplete works to be carried out later within a defined time limit, and a defects liability certificate or a performance certificate (“**DLC/PC**”) is issued, which confirms a contractor’s responsibility for defects identified within a defined period; and
- payment is approved by an external management consultant, the project director and by the executive management.

The final retention amount due is typically paid by the Group within a specified contractual period after the issuance of the TOC and DLC/PC.

The terms and conditions of the contracts used by the Group are generally based on the internationally recognised FIDIC (The International Federation of Consulting Engineers) forms of contract, although the Group also uses bespoke contracts, depending on the nature of the works under construction. The FIDIC forms are amended to take into account local law and conditions and project specific requirements.

The principal operative terms and conditions in all the contracts generally include:

- a full description of the scope of works to be carried out and employer’s requirements/project brief as well as procedures for variation of the works;
- accepted contract amount, contract price and currency of payment;
- the obligations and liabilities of the contracting parties and a performance bond to secure satisfactory completion of the works;
- general risk allocation clauses including unforeseen physical conditions and change of law;
- any design responsibility;
- a fully priced bill of quantities and other technical documents including drawings, technical specifications, health and safety and quality control requirements; and
- the timelines within which the works are to be completed.

Other, more standard, provisions include clauses covering indemnification, insurance and liquidated and ascertained damages for failure to meet the delivery deadlines; the procedures and time periods for progressive payments certified by the engineer-on-record; an advance to be set off against future certified payments as well as retentions against certified payments; provisions relating to suspension, termination and force majeure; clauses covering completion, testing, commissioning and handover and governing law and dispute resolution provisions.

The Group focuses on ensuring timely and complete performance by its contractors and other suppliers and seeks to ensure that it meets its payment and other obligations to these third parties in accordance with the terms of its contracts.

## **Financial investments business**

### ***Overview***

The Group’s strategy includes diversification through investment in a range of industry sectors in Qatar. Its financial investment philosophy is to target growth sectors, including banking and insurance, health, media, services, telecommunications and other utilities, financial services, tourism and other infrastructure related sectors which add value to its existing strong presence in the real estate value chain.

The Group seeks to manage investments that have potential for long-term sustainable value creation with strong and predictable cash flows and which are listed companies with a proven track record and strong management teams.

The Group's investments include both strategic longer-term investments in which it acquires shareholdings that give it significant influence over the investee and other, typically smaller, investments which may be purchased with a view to sale in appropriate market conditions. Where the Group's investment in an investee gives it significant influence, but not control, over the financial and operating policies of the investee, the investee is classified as an associate and consolidated using the equity method. Other financial investments are accounted for as available for sale financial assets and are not consolidated.

The Group has financed its financial investments principally through long-term borrowing.

### **Investments**

The Group's principal investment sectors currently are:

### **Financial services and insurance**

The table below shows the Group's principal investees in the financial services and insurance sector:

<b>Investee</b>	<b>Nature of investment</b>	<b>Percentage ownership</b>	<b>Fair value at 31 December 2016</b>
			<i>(QR million)</i>
Qatar Islamic Insurance Company .....	Associate	10.00 <sup>(1)</sup>	114
Qatar International Islamic Bank .....	Associate	20.00 <sup>(1)</sup>	1,911
Islamic Holding Group.....	Associate	21.55	76
<b>Total</b> .....			<b>2,101</b>
AFS .....			<b>6,553</b>
<i>of which:</i>			
<i>Qatar Islamic Bank</i> .....	<i>AFS</i>	<i>10.26<sup>(1)</sup></i>	<i>2,504</i>
<i>Masraf Al Rayan</i> .....	<i>AFS</i>	<i>5.21<sup>(1)</sup></i>	<i>1,466</i>

Notes:

- (1) In March 2016, the QCB issued a circular that investors would be required to limit their holdings in publicly traded banks and financial institutions to 5 per cent. of the relevant company's capital. The Group has received a waiver from the QCB allowing the Group to hold up to 10 per cent. in each of Qatar Islamic Insurance Company, Qatar International Islamic Bank and Qatar Islamic Bank. The circular also provides for a five year grace period (expiring in March 2021) in relation to shares held by an investor prior to the date of the circular (which is the case for these shares held by the Group).

#### *Qatar Islamic Insurance Company*

According to its website, Qatar Islamic Insurance Company Q.P.S.C. (“**QIIC**”) commenced business in 1995 and currently offers a wide range of Islamic insurance, including motor, marine, fire, engineering, liability, life, medical, bankers, electronics and computer, energy, travel and other general insurance.

The Group acquired a 22.97 per cent. shareholding in QIIC in 2012, which it subsequently increased to 23.82 per cent. during the course of 2015. During 2016, the Group reduced its shareholding in QIIC to the current level of 10.00 per cent. by selling 13.82 per cent. on the Qatar Stock Exchange; see “—Recent Acquisitions – Funds investing in the Qatar Stock Exchange” below for further details on the Group’s use of the proceeds relating to this sale of shares. The Group has four representatives on the QIIC board, which equates to 4 members.

#### *Qatar International Islamic Bank*

According to its website, Qatar International Islamic Bank Q.P.S.C. (“**QIIB**”) was established in 1982 and is a listed Islamic bank offering personal and corporate Islamic banking solutions.

The Group acquired a 22.65 per cent. shareholding in QIIB in 2012. During 2016, the Group reduced its shareholding in QIIB to the current level of 20.00 per cent. by selling 2.65 per cent. on the Qatar Stock Exchange; see “—Recent Acquisitions – Funds investing in the Qatar Stock Exchange” below for further details on the Group’s use of the proceeds relating to this sale of shares. The Group has seven representatives on the QIIB board, which comprises the chairman, the vice-chairman and five directors.

#### *Islamic Holding Group*

According to its website, Islamic Holding Group Q.P.S.C. (“**IHG**”) is an Islamic brokerage company that provides Sharia-compliant brokerage services. IHG was established in 2003.

The Group had a 33.33 per cent. shareholding in IHG as at 31 December 2015. During 2016, the Group reduced its shareholding in IHG to the current level of 21.55 per cent. by selling 11.78 per cent. on the Qatar Stock Exchange; see “—Recent Acquisitions – Funds investing in the Qatar Stock Exchange” below for further details on the Group’s use of the proceeds relating to this sale of shares. The Group has three representatives on the IHG board, which equates to three members.

#### *Qatar Islamic Bank*

According to its website, Qatar Islamic Bank Q.P.S.C. (“**QIB**”) was established in 1991, was the first Islamic financial institution in Qatar and is one of the largest Islamic banks in the MENA region. QIB offers a range of personal and wholesale Islamic banking solutions as well as private banking and investment banking.

The Group first invested in QIB in 2012 and had a 10.88 per cent. shareholding as at 31 December 2015. During 2016, the Group reduced its shareholding in QIB to the current level of 10.26 per cent. by selling 0.62 per cent. on the Qatar Stock Exchange.

#### *Masraf Al Rayan*

According to its website, Masraf Al Rayan Q.S.C. (“**MAR**”) was established in January 2006. MAR provides Sharia-compliant retail, wholesale and private banking solutions, as well as investment and brokerage services.

The Group first invested in MAR in 2012 and had a 5.62 per cent. shareholding as at 31 December 2015. During 2016, the Group reduced its shareholding in MAR to the current level of 5.21 per cent. by selling 0.41 per cent. of MAR shares on the Qatar Stock Exchange.

### **Healthcare**

The Group's principal investee in the healthcare sector is its associate, Medicare Group Q.S.C. ("MCG"). MCG was established in 1996. It principally manages the operations of Al Ahli Hospital, which was established in 1989 as a hospital specialising in paediatrics, obstetrics and gynaecology. The hospital includes 250 beds and provides an array of premium healthcare services.

The Group purchased a 24.52 per cent. shareholding in MCG in 2012. During 2016, the Group reduced its current shareholding to 13.25 per cent. by selling 12.55 per cent. on the Qatar Stock Exchange; see "*Recent Acquisitions – Funds investing in the Qatar Stock Exchange*" below for further details on the Group's use of the proceeds relating to this sale of shares. The Group has eight representatives on the MCG board, comprising seven members and the vice-chairman out of an 11 member board.

### **Media**

The table below shows the Group's principal investees in the media sector:

<b>Investee</b>	<b>Nature of investment</b>	<b>Percentage ownership</b>	<b>Fair value at 31 December 2016</b>
			<i>(QR million)</i>
Dar Al Sharq for Printing, Publication and Distribution W.L.L .....	Associate	44.78	537

#### *Dar Al Sharq for Printing, Publication and Distribution W.L.L.*

According to its website, Dar Al Sharq for Printing, Publication and Distribution W.L.L ("DAS") is a printing and publishing group which publishes two newspapers, the Al Sharq, which was launched in 1978 and is the most read Arabic language daily newspaper in Qatar, and The Peninsula, an English language daily. DAS also provides a range of graphics arts services; marketing services; leisure, retail, office, shop and commercial fit-out contracting; distribution services; digital media production and printing services.

The Group purchased a 30.0 per cent. shareholding in DAS in 2012 and subsequently increased its shareholding to 44.78 per cent. during the course of 2016. The Group's founder is also the Chairman of DAS and is the only Group representative on the DAS board.

#### *Dar Al-Arab W.L.L.*

Dar Al-Arab W.L.L. ("DAA") is a newspaper publishing and distribution company. It was incorporated in 1985 and publishes Arabic language newspapers for the local markets.

The Group purchased a 49.0 per cent. shareholding in DAA in 2012 and subsequently increased its shareholding to 74.5 during the course of 2016. The Group's founder is also the Chairman of DAA and is the only Group representative on the DAA board.

### **Available for sale investments**

The table below shows the evolution of the Group's portfolio of AFS investments in listed securities since 2013.

<b>Sector</b>	<b>Fair value as at 31 December</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
				<i>(QR million)</i>
Banks and financial institutions .....	2,736	3,877	4,323	3,970



Sector	Fair value as at 31 December			
	2013	2014	2015	2016
	<i>(QR million)</i>			
Industry <sup>(1)</sup> .....	892	1,040	948	26
Consumer goods and services .....	16	250	234	2
Telecommunications .....	14	22	21	25
Insurance .....	—	1	8	6
Transportation .....	133	—	—	21
Real estate .....	8	—	—	—
<b>Total</b> .....	<b>3,799</b>	<b>5,190</b>	<b>5,534</b>	<b>4,050</b>

Note:

(1) Includes manufacturing, electricity and water, cement and offshore and on-shore drilling surveys.

The key investments in the portfolio are QIB and MAR, which comprise almost the entire bank and financial institutions portfolio and 60.6 per cent. of the fair value of the total portfolio at 31 December 2016.

#### *Widam Food*

In relation to the Consumer goods and services sector of the Group's portfolio of AFS investment, in 2016, the Group disposed of a 19.99 per cent. shareholding in Widam Food Company Q.P.S.C. (**Widam Food**), which leaves the Group with a 3.01 per cent. stake in the company; see “—Recent Acquisitions – Funds investing in the Qatar Stock Exchange” below for further details on the Group's use of the proceeds relating to this sale of shares. Widam Food is a meat distribution company which imports fresh and frozen meat as well as other animal products into the GCC.

#### *Qatar Investors Group*

In relation to the Industry sector of the Group's portfolio of AFS investment, in 2016, the Group disposed of a 19.82 per cent. shareholding in Qatar Investors Group Q.P.S.C. (**QIG**), which leaves the Group with a 0.18 per cent. stake in the Company; see “—Recent Acquisitions – Funds investing in the Qatar Stock Exchange” below for further details on the Group's use of the proceeds relating to this sale of shares. QIG is a holding company which is primarily involved in the production and distribution of cement and cement-related products.

#### **Recent Acquisitions**

##### *Funds investing in the Qatar Stock Exchange*

During 2016, the Group used the proceeds of the sales of shares in IHG, MCG, QIIB, QIIC, QIG and Widam Food (as described above) to acquire units in several asset management funds (the **Funds**) for an aggregate consideration of QR 2,503 million. The Funds have been directed to invest in, and currently have holdings in, the following companies listed on the Qatar Stock Exchange:

- Islamic Holding Group Q.P.S.C.;
- Medicare Group Q.P.S.C.;
- Qatar International Islamic Bank Q.P.S.C.;

- Qatar Islamic Insurance Company Q.P.S.C.;
- Qatar Investors Group Q.P.S.C.; and
- Widam Food Company Q.P.S.C.

#### *Ezdan International Asset Management*

Following the result of the UK referendum held in June 2016 in which a majority voted to leave the European Union, the value of sterling fell sharply against the U.S. dollar and in the second half of 2016 the Group made four property acquisitions in the UK. Three of these mixed residential and commercial properties are located in Central London, with the other in Suffolk. The acquisitions were made by subsidiaries of Ezdan International Holdings (“**EIH**”) and are managed by Ezdan International Asset Management (“**EIAM**”); both EIH and EIAM are wholly owned subsidiaries of Ezdan. The Group does not plan to make any further investments in the UK property market.

#### *Ezdan World*

In the fourth quarter of 2016, the Group invested QR 42 million to increase its stake in the Ezdan World Company (“**Ezdan World**”), which manages assets in the tourism and recreation sectors, to 70.0 per cent. Ezdan World’s main activity is the management of the operations of the Magical Festival Village, a 50,000 square metre tourist attraction located next to the Katara Cultural Village, north of Doha, which opened in April 2016.

## **Competition**

The Group’s real estate businesses face competition.

Qatar’s real estate industry has grown significantly in the past decade, and this growth has been a major factor in the Group’s financial performance over the same period. Barriers to entry in this market are low reflecting relatively low cost materials and labour compared to many other countries as well as comparatively light regulation. The Group principally faces competition from government-backed projects, as these projects tend to be of a similar scale to the Group’s own developments. The Group believes that its strong brand and the quality of its developments are competitive strengths that have helped it achieve residential occupancy rates 87 per cent., 94 per cent. and 92 per cent. in 2014, 2015 and 2016, respectively.

The Group does not seek to compete in the luxury residential real estate market as its strategy is to focus on the middle and lower-middle income segment that it estimates forms around 60 per cent. of Qatar’s population. In Al Wukair, the Group faces lower competition as it owns a large number of properties with good amenities.

Management believes that the mall market in Qatar is also underserved and that more shopping malls will be required to cater to Qatar’s increasing population. The Group currently owns one operating mall and owns two others, which are both expected to be fully operational by April 2017. Most of the malls in Qatar are situated in Doha and the Group’s new malls are aiming to exploit perceived demand outside Doha. According to the DTZ Report, the overall supply of organised retail accommodation in Qatar stands at 838,000 square metres, which is split between 15 purpose built retail malls. The DTZ Report estimates that in excess of 1.85 million square metres of retail space is currently at various stages of design or construction.

Competition in the hospitality industry in Qatar is growing as new hotels are built to meet the demand of Qatar’s growing tourism industry, the FIFA World Cup 2022 and the Qatar 2030 vision. There are a large number of well-known hotel chain brands operating in Qatar, and in order to successfully compete with these brands, the Group will be required to incur significant marketing expenditure and devote significant

operational management time. The Group's existing Ezdan Hotels Westbay is a four star hotel and is therefore cheaper than higher rated hotels, which comprised 88 per cent. of Qatar's total keys at the end of 2016 according to the DTZ Report. The Ezdan Hotels Westbay had an occupancy rate of 86.1 per cent. in 2016. According to the DTZ Report, which sourced Qatar Tourism Authority data, 64 hotels and apartment hotels were under construction in 2015. These projects are expected to increase supply by approximately 24,000 keys once completed.

### **Information Technology**

The Group's businesses are not dependent on information technology ("IT"). Nevertheless, the Group aims to ensure that it has a modern networking hierarchy and that it maintains an efficient communications system. The Group has implemented a new enterprise resource planning ("ERP") system that facilitates a strong internal control culture and reporting framework and provides collaboration and integration amongst various departments and entities. The ERP connects the information systems of all Group companies and provide real-time reporting.

In 2015, the Group upgraded all of its servers to achieve modern infrastructure. The storage and back-up operations are managed by its in-house team and Microsoft Gold Partners, and Microsoft Azure is the preferred backup source.

All of the Group IT users are located on the same domain. The software and website development are mainly outsourced to achieve high quality and standards. Most of the software used by the Group and its subsidiaries is fully customised to assist efficiency and effectiveness. The special purpose payment software to process customers and tenants is encrypted and protected by in-house anti-virus hardware and software.

Historically, the Group and its subsidiaries have not experienced any malicious intrusions.

### **Insurance**

The Group investment properties are fully insured. Management believes that the Group's insurance coverage is in accordance with customary practice in its industries, including with respect to the terms of and the coverage provided by such insurance. All insurance coverage is obtained with formal contractual terms from reputable local insurance companies, who typically place their reinsurance outside of Qatar.

The Group also has vehicle, employees and staff insurance in place.

The Group's insurance policies are subject to commercially negotiated deductibles, exclusions and limitations. The Group will only receive insurance proceeds in respect of a claim made by it to the extent that its insurers have the necessary funds to make payment. Therefore the Group's insurance may not cover all losses incurred by the Group and no assurance is given that the Group will not suffer losses beyond the limits of, or outside the cover provided by, its insurance policies. The Group has not made any material insurance claims in the last three financial years.

### **Litigation**

As at the date of this Base Prospectus, there are no outstanding governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which Ezdan is aware).

## MANAGEMENT AND EMPLOYEES

The Board is responsible for setting Ezdan's goals and formulating its strategy. The executive management team is responsible for the day-to-day management of Ezdan's business and affairs. The Board supervises the executive management team and is responsible for managing the Group and each member has the appropriate expertise and experience for the management of the Group.

### Management

#### The Board

The Board is appointed annually by the shareholders of the Group.

The Board meets at least six times a year.

The table below shows the current members of the Board.

<b>Name</b>	<b>Position</b>
H.E. Dr. Sheikh Khalid Thani A T Al-Thani .....	Chairman
H.E. Sheikh Abdulla Bin Thani A T Al-Thani.....	Vice Chairman
H.E. Mohamad Thani A T Al-Thani.....	Member of the Board
H.E. Sheikh Khalifa Thani A T Al-Thani .....	Member of the Board
H.E. Sheikh Hasan Thani A A Al-Thani.....	Member of the Board
H.E. Sheikh Turki Khalid TH A Al-Thani.....	Member of the Board
H.E. Sheikh Abdulla Khalid T A Al-Thani.....	Member of the Board
Mr. Ali A Rahman S A Al-Hashmi .....	Member of the Board
Mr. Walid A I Al-Saadi.....	Member of the Board
Mr. Jaber Salem Al-Harami.....	Member of the Board
Mr. Hesham Mostafa Mohamed Elsahatry.....	Member of the Board

A short biography of each member of the Board is set out below.

#### ***H.E. Dr. Sheikh Khalid Thani A T Al-Thani***

H.E. Dr. Sheikh Khalid was appointed as the Chairman of the Board in 2012.

H.E. Dr. Sheikh Khalid Bin joined Ezdan in 2009 as Deputy Chairman.

H.E. Dr. Sheikh Khalid is a businessman with diverse business interests in the real estate, banking, insurance, financial securities, healthcare, media, information technology and travel sectors. He is currently the chairman of a number of Qatari organisations including Qatar International Islamic Bank, Mackeen Holding and Zenon Trading & Contracting. He also holds other board positions in a number of Qatari companies including Qatar Islamic Insurance Company, MCG (Al-Ahli Hospital) and Islamic Holding Group (IHGS). He is also the co-founder and benefactor of a number of non-profit organisations and business associations and serves on the board of the Qatar Society for Rehabilitation and Special Needs and as Vice Chairman of Sheikh Thani Bin Abdulla Foundation for Humanitarian Services and as second deputy to the Chairman of the Qatar Businessmen Association.

H.E. Dr. Sheikh Khalid has undergraduate and postgraduate degrees in Industrial Management and Technology from Michigan University. He also has a PhD in Succession in Family Owned Business in Qatar.

***H.E. Sheikh Abdulla Thani A T Al-Thani***

H.E. Sheikh Abdulla was appointed to the Board in 2008 and was appointed as the Vice Chairman of the Board in 2012.

H.E. Sheikh Abdulla is a businessman with diverse business interests in the real estate, banking, insurance and healthcare sectors. He is currently the Chairman and majority shareholder of Qatar Islamic Insurance Company, the Vice Chairman of Qatar International Islamic Bank and the Vice Chairman of MCG (Al-Ahli Hospital). He is also the sole shareholder of a number of private Qatari companies including Al Wefaq Engineering & Contracting.

H.E. Sheikh Abdulla has a Bachelor of Commerce degree.

***H.E. Sheikh Mohamad A T Al-Thani***

H.E. Sheikh Mohamad was appointed to the Board in 2010.

H.E. Sheikh Mohamad also holds board positions in a number of Qatari companies including MCG (Al Ahli Hospital). He is also a partner and director of Tetra Contracting and Trade.

H.E. Sheikh Mohamad has a Bachelor's degree in Business Management.

***H.E. Sheikh Turki Khalid TH A Al-Thani***

H.E. Sheikh Turki was appointed to the Board in 2014 and holds a degree in Business Administration.

***Mr. Ali A Rahman S A Al-Hashemi***

Mr. Al-Hashemi was appointed to the Board in 2012.

Mr. Al-Hashemi also holds board positions in a number of Qatari organisations, including Qatar International Islamic Bank, Mackeen Holding and Islamic Holding Group. He is also a General Manager in the Qatari government organisation, General Authority for Minor Affairs, a position which he has held for over five years.

Mr. Al-Hashemi has a Master of Business Administration degree from Leeds Metropolitan University.

***Mr. Walid Al AlSaadi***

Mr. AlSaadi was appointed to the Board in 2009. He is also the Chairman of the Audit Committee of the Obligor.

Prior to joining Ezdan, Mr. AlSaadi was a partner at Ernst & Young, Qatar. Mr. AlSaadi also held several senior management positions, including chief executive officer of each of United Development Company and Al Faisal Holding Group.

Mr. AlSaadi has a Bachelor of Finance and Business Administration degree and is a Certified Public Accountant from each of the Qatari Association of Certified Public Accountants and the Jordanian Association of Certified Public Accountants.

The address of each member of the Board is Ezdan Towers, Tower 4, 2nd Floor, Dafna, Doha, Qatar (telephone: +974 4433 2333). There are no potential conflicts of interest between the private interests or other duties of the members of the Board listed above and their duties to Ezdan.

## Executive management

The table shows the current members of the executive management team:

<b>Name</b>	<b>Position</b>
Mr. Ali Al-Obaidli .....	Group Chief Executive Officer
Mr. Medhat Mohamed Abdelmagid .....	Group Chief Financial Officer
Ms. Hanan Kardan .....	Chief Administration Officer
Mr. Mahmoud Awada.....	Investment Director

A short biography of each member of the executive management team is set out below.

### ***Mr. Ali Al-Obaidli***

Mr. Al-Obaidli was appointed as the Group Chief Executive Officer in 2012.

Mr. Al-Obaidli is a businessman with diverse business interests, including in the real estate, banking and insurance sectors. Mr. Al-Obaidli has held several senior and board positions in a number of organisations, including Barwa Real Estate Company, Qatar First Investment Bank and Nuzul Holding Company, Bahrain. He is also a board member of each of Qatar International Islamic Bank, Mediacare Group, and Qatar Islamic Insurance.

Mr. Al-Obaidli has a Bachelor of Management and Economics degree from the University of Qatar and a Master of Business Administration degree from the University of Oklahoma.

### ***Mr. Medhat Mohamed Abdelmagid***

Mr. Abdelmagid was appointed as the Group Chief Financial Officer in October 2012.

Prior to joining Ezdan, Mr. Abdelmagid was chief financial officer at Al-Tadawul Group Q.S.C. from 2007.

Mr. Abdelmagid is a finance professional with extensive experience in finance and accounting. He has expertise in initial public offerings, debt financing, capital management, risk management, enterprise resource planning implementation, organisational improvement through process development, financial planning and budgeting and financial reporting, together with routine chief financial officer duties.

He has held finance positions in several multinational companies in Egypt operating in various sectors including food, pharmaceuticals and petrochemicals, including Mansour Group and Alexandria Carbon Black.

Mr. Abdelmagid has a Bachelor of Science degree in Accounting and Finance from the University of Alexandria, Egypt.

### ***Ms. Hanan Kardan***

Ms. Kardan was appointed as the Chief Administration Officer at Ezdan in 2013.

Ms. Kardan has expertise in corporate benefits analysis, administration, compensation, staff training and skills development, employee relations, performance management, organisational development, budgeting, tenders and contracts, general services and QHSSE (Quality, Health, Safety, Security and Environment).

Prior to joining Ezdan, Ms. Kardan held a variety of positions in human resources, including senior general services administrator, senior human resources officer, compensation and benefits manager and human resources manager.

Ms. Kardan has a Bachelor of Science degree in English Literature and is currently pursuing the CIPD and HRMP (UK) qualifications.

***Mr. Mahmoud Awada***

Mr. Awada was appointed as the Investment Director of Ezdan in 2012.

Prior to joining Ezdan, Mr. Awada was investment manager of Qatar International Islamic Bank and senior executive director of Barwa Real Estate Company. He also held positions in international banks including Merrill Lynch & Co., Inc. and The Bank of New York Mellon.

Mr. Awada has over 25 years' experience in the commercial and investment banking sectors, including both conventional and Islamic banking. His experience also includes corporate finance, corporate lending and evaluation of private companies.

Mr. Awada has a Bachelor of Science degree and a Master of Science degree in Electrical Engineering from City University of New York and a Master of Business Administration qualification in Finance and Investment Banking from the New York University Stern School of Business.

The address of each member of the executive management team is Ezdan Towers, Tower 4, 2nd Floor, Dafna, Doha, Qatar.

There are no potential conflicts of interest between the private interests or other duties of the members of the executive management listed above and their duties to Ezdan.

***Executive management committees***

The executive management team delegates to two committees: the Employee Affairs Committee and the Fixed Assets Management Committee.

**Employee Affairs Committee**

The Employee Affairs Committee is established to discuss and investigate employee-related issues as notified by the Human Resources Department. Employees are interviewed by the committee members, following which a remedy to the issue discussed is outlined by the committee. The Employee Affairs Committee meets as and when required. The Employee Affairs Committee is made up of the following members:

- (a) Chief Operating Officer
- (b) Human Resources & Administration, Corporate Director
- (c) Legal Department Representative
- (d) Human Resources Representative

**Fixed Assets Management Committee**

The Fixed Assets Management Committee is established for the acquisition and disposal of the Group's fixed assets, including the fixtures and fittings within its investment properties. The main responsibility of the Fixed Assets Management Committee is to provide recommendations relating to the use of assets, any required replacement or upgrades of furniture at its villages and prospective furniture procurement vendors. The Fixed Assets Management Committee meets on a weekly basis. The Fixed Assets Management Committee comprises the following members:

- (a) Procurement Manager
- (b) Customer Care Manager
- (c) Maintenance Manager
- (d) Fixed Asset Manager

- (e) Warehouse Department Manager

## **Employees**

As at 31 December 2016, Ezdan had 773 permanent employees and a labour workforce of 1,100.

### **Employee training and development**

The professional development of each employee is of paramount importance to the Group. The Group's Training Department is responsible for establishing employee training policy, procedure and curriculum. The Training Department organises tailored training programmes (including orientation programmes for new employees) in partnership with local universities and external specialised training providers to the Group's employees based upon of the requirements of each employee and the relevant department in which each such employee works.

### **Employee recruitment, retention and remuneration**

The Group Human Resources Department has a specialised recruitment unit. The recruitment strategy is based on the Group's current areas of development and challenge. The role and responsibilities of the recruitment unit is:

- ascertaining the number of employment positions to be created;
- understanding the job requirements (including necessary qualifications) and establishing job descriptions;
- establishing the recruitment source (whether internal relocation or externally hired); and
- adhering to budget allocation requirements.

The primary objective of the Group's retention policy is to encourage and promote the welfare of employees by improving learning opportunities, employee benefits, career enhancement opportunities and work-life balance.

The remuneration packages are designed to attract and retain the employees on long-term basis. From time to time, such packages are revised to reflect the market rate and reward exceptional employees.

## **Corporate Governance**

Ezdan is committed to maintaining and improving appropriate standards of corporate governance across the Group by constantly reviewing, improving and strengthening corporate governance standards and establishing best practices that are based on principles of accountability, transparency, responsibility and integrity. Ezdan complies with all legal and regulatory requirements relating to professional conduct rules and corporate governance. Since the introduction of the Corporate Governance Code (the "**Corporate Governance Code**") issued by the Qatar Financial Markets Authority in January 2009, Ezdan has complied in full with all of its applicable provisions.

The Board has established its own code of corporate governance (the "**Ezdan Corporate Governance Code**") which the Board reviews and updates against all applicable legal and regulatory requirements relating to professional conduct and corporate governance, in particular, the requirements of the Corporate Governance Code and other rules and directives of the Qatar Financial Markets Authority. Ezdan produces an annual report that sets out the professional conduct rules, its corporate values and other internal policies and procedures that are binding on all employees of Ezdan (including all members of the Board) and Ezdan's third party advisors.



There are currently three Board committees: the Audit Committee, the Risk Committee and the Executive Committee.

#### **Audit Committee**

The Audit Committee is established to oversee the Group's financial performance, disclosure and reporting, in particular, focussing on the following areas:

- financial statements (prior to publication);
- annual budget;
- external audit management letters;
- internal audit reports; and
- financial policy and procedures.

The Audit Committee, which meets at least four times a year, comprises the following members:

- Walid A I AlSaadi
- Ali A. Rahman S A Al-Hashmi
- Sheikh Khalifa Thani A T Al-Thani

#### **Risk Committee**

The Risk Committee is established to identify and promote awareness of the different types of risk that the Group faces through its operations. The Risk Committee periodically presents a report outlining the risk mitigation process and control procedures related to risk identification to the Board. The Risk Committee, which meets at least semi-annually, comprises the following members:

- Walid A I AlSaadi
- Ali A. Rahman S A Al-Hashmi
- Sheikh Khalifa Thani A T Al-Thani

#### **Executive Committee**

The Executive Committee is responsible for the development of the overall operational strategy and bringing forward any new opportunities that need to be discussed by the Board.

The Executive Committee, which meets frequently during the year, comprises the following members:

- (a) H.E. Dr. Sheikh Khalid Thani A T Al-Thani
- (b) H.E. Sheikh Abdulla Thani A T Al-Thani
- (c) H.E. Mohamad Thani A T Al-Thani
- (d) H.E. Sheikh Turki Khalid TH A Al-Thani

## OVERVIEW OF QATAR

*Unless indicated otherwise, information in this section has been derived from Government publications.*

### Country Profile

Qatar is an independent state in the Southern Arabian Gulf. Qatar shares a land border and maritime boundaries with Saudi Arabia and maritime boundaries with Bahrain, the UAE and Iran. Qatar covers an area of approximately 11,493 square kilometres. Doha is the capital city of Qatar, the seat of government and Qatar's cultural, commercial and financial centre. It includes the country's main seaport and international airport and has an advanced road system linking it with the international road network.

According to the most recent full Government census, Qatar's population was 2,404,776 in April 2015 indicating a 41.5 per cent. growth in population since the census prior to that was carried out in 2010. A large portion of Qatar's population comprises of non-Qatari nationals. According to the Ministry of Development Planning and Statistics, as at 28 February Qatar's population stood at 2,673,022.

Qatar, which gained independence from the United Kingdom on 3 September 1971, was ruled by His Highness Sheikh Hamad Bin Khalifa Al-Thani from 27 June 1995 until 25 June 2013, on which date he handed power over to his fourth son, and the current Emir of Qatar, His Highness Sheikh Tamim Bin Hamad Bin Khalifa Al-Thani. During his reign, H.H. Sheikh Hamad implemented various initiatives designed to exploit Qatar's oil and gas resources in a responsible manner, thereby making rapid economic development and the construction of modern infrastructure possible in Qatar. During a period of rapid economic and social progress, Qatar has maintained its cultural and traditional values as an Arab and Islamic nation.

In terms of foreign relations and membership of international organisations, Qatar, together with Bahrain, Kuwait, Oman, Saudi Arabia and the UAE form the GCC. Furthermore, Qatar is a member of OPEC, the Gas Exporting Countries Forum (which was established in 2008 and has its headquarters in Doha) and the United Nations. It is also a member of numerous international and multilateral organisations, including the IMF, the International Bank for Reconstruction and Development, the World Trade Organisation, the League of Arab States, the Organisation of the Islamic Conference, the Multinational Investment Guarantee Organisation and UNESCO.

On 23 December 2008, representatives of 11 gas producing nations, including Qatar, Russia and Iran, signed an intergovernmental memorandum and charter formally establishing the Gas Exporter Countries Forum (the "GECF"), which chose Doha as the future headquarters for its permanent secretariat. The GECF Secretary General commenced his duties in Doha in February 2010 and the GECF Liaison Office, which facilitates the affairs of the GECF, is also based in Doha. Apart from the regular ministerial meetings, the first GECF gas summit was held in Doha in December 2011. The GECF's objectives include exchanging information on a broad range of issues such as new technologies, investment programmes, relations with natural gas consuming countries and environmental protection.

Qatar is an advocate for regional integration and in 2003, the GCC established a customs union under which Qatar applies a common customs tariff of 5.0 per cent. to most products, with a limited number of exceptions. In 2005, as part of the GCC, Qatar joined the Istanbul Cooperation Initiative, which is a North Atlantic Treaty Organisation (NATO) initiative to enhance regional security in the broader Middle East.

In 2001, the GCC proposed the establishment of a common currency with a view to deepening economic integration. The GCC monetary union is expected to improve the efficiency of financial services, lower transaction costs and increase transparency in the prices of goods and services. In December 2008, finance ministers of the GCC member states (other than Oman) signed an agreement establishing the framework of

the monetary union. The agreement also provides for the establishment of a monetary council, which will finalise the details of the monetary union and is expected to be converted eventually into a GCC central bank. The agreement must be ratified by each member state in order for it to take effect. Currently, four of the six GCC members have signed the accord to join the monetary union – Qatar, Kuwait, Saudi Arabia and Bahrain – while the UAE and Oman have opted out. In May 2009, those GCC members who intend to join the monetary union decided that Riyadh would be home to the new GCC monetary council (the “**GCC Monetary Council**”), a precursor to a GCC central bank. In March 2010, Qatar, Kuwait, Saudi Arabia and Bahrain unanimously elected Saudi Arabia’s Monetary Agency Governor as the first chairman of the GCC Monetary Council, representing the latest step in launching a single currency and laying the foundation for a GCC central bank. In October 2015, the board of directors appointed His Excellency Dr. Raja Bin Monahi Al-Marzuqi Al-Baqmi as president of the GCC Monetary Council. As yet, there has been no announcement of an official timetable for the progression of the GCC Monetary Union.

## **Legal System**

Over the last decade, Qatar’s legal system has been significantly reformed by the enactment of various pieces of legislation intended to bring Qatari laws in line with international laws, standards and practices. Qatar’s civil law (Law No. 22/2004) addresses a wide range of matters including conflict of laws, contracts, rights and obligations, security, guarantees, property and torts. Qatar’s commercial law (Law No. 27/2006) addresses commercial, among others, affairs and entities, competition, commercial obligations, commercial mortgages and contracts and commercial paper. The commercial law also addresses bankruptcy matters, permitting creditors to file claims against any corporate entity, except for certain professional companies and other companies that are at least majority owned by the Government, and operates a public utility. The Commercial Companies Law (Law No. 11/2015) addresses the incorporation of companies, the ownership of shares, the liability of companies, shareholders and directors, capital contributions, payment of dividends, shareholder rights and obligations and rules of corporate governance. The Commercial Companies Law also introduced the concept of a single member limited liability company, and is not dissimilar to the companies laws of more mature legal systems.

The Government has passed other significant legislation in recent years, including the Foreign Investment Law, the Central Bank Law, the Money Laundering Law, the Law relating to the Qatar Financial Markets Authority and the Qatar Financial Centre Law (the “**QFC Law**”), as well as competition, intellectual property, labour, property and environmental laws.

Following the establishment of the Qatar Financial Centre in 2005, the QFC Law established a legal and regulatory regime to govern the Qatar Financial Centre that is generally parallel to and separate from Qatari laws and the Qatari legal system, except for Qatari criminal law. The Qatar Financial Centre has established its own rules and regulations applicable to, among others, financial services companies, and which cover topics such as employment, companies, anti-money laundering, contracts and insolvency.

Qatar is also strengthening the private sector by undertaking regulatory reforms aimed at improving Qatar’s business climate and creating an environment that will support enterprise creation, private competition and foreign direct investment, including through taking steps such as liberalising the telecommunications sector and creating special economic zones. In addition, Qatar has sought to increase the country’s attractiveness to foreign direct investment by implementing laws that allow more foreign participation in the domestic economy. For example, the Government has established the Qatar Financial Centre, which enables global financial firms to operate in Qatar, although there are restrictions on such financial institutions dealing with retail customers.

In addition, on 1 January 2010 the Income Tax Law came into effect. Under the Income Tax Law (which is applicable outside the Qatar Financial Centre), taxable income in any taxable year is now taxed at a flat tax rate of 10.0 per cent., except for certain oil and gas companies that will continue to be taxed at the previous rate of 35.0 per cent. This is part of a broad plan to diversify the Qatari economy to reduce reliance on the oil and gas sector. However, Qatari companies 100 per cent. owned by Qataris do not pay income tax.

## **Economic Overview**

Qatar is one of the most prosperous countries in the world. According to estimates from the IMF's World Economic Outlook Database October 2016, Qatar's nominal GDP per capita would reach QR 221 thousand (U.S.\$61 thousand) in 2016. Over the last several years, Qatar has been one of the fastest growing economies in the world. As at 31 December 2015, Qatar's proven reserves of oil amount to approximately 25.7 thousand million barrels while its proven reserves of natural gas amounted to 866.2 trillion cubic feet, according to the BP Statistical Review of World Energy June 2016. Virtually all of Qatar's proven reserves of natural gas and condensate are located in the North Field, which is estimated by the U.S. Energy Information Administration to be the largest non-associated gas field in the world, representing approximately 13.3 per cent. of the world's natural gas reserves in 2013, according to the same report. Qatar has over 138 years of proven gas reserves at projected long-term production levels.

According to the Ministry of Development Planning and Statistics, Qatar's carefully planned exploitation of its hydrocarbon reserves resulted in a nominal GDP compound annual growth rate ("CAGR") of 19.9 per cent. from 2009 to 2013. Qatar's economy achieved a new record in 2014 with a total nominal GDP of QR 771,013 million (U.S.\$211,816 million) representing nominal GDP growth of 4.2 per cent. in 2014 compared to 2013. However, in light of the recent downturn in global financial market conditions and the difficult macro-economic environment (including the severe drop in oil prices), Qatar revised its projected annual real GDP growth rate for 2016 downwards to 3.9 per cent. Qatar exported 106.4 billion cubic metres of LNG in 2015 and is the largest LNG exporter in the world according to BP Statistical Review of World Energy June 2016. According to preliminary data in the Qatar Central Bank's Quarterly Statistical Bulletin for December 2016, the oil and gas sector contributed 52.5 per cent., 38.6 per cent. and 31.2 per cent. of Qatar's total nominal GDP in 2014, and 2015 and for the first nine months in 2016, respectively. Qatar has continued to stimulate growth in its gas network through the Barzan Project, which is a project to provide domestic pipeline gas. Qatar has focused on diversifying its economy in recent years in an effort to reduce its historical dependence on oil and gas revenues. The construction and real estate sectors have recently made substantial contributions to Qatar's economic growth and significant investments have been made to increase economic returns from, in particular, petrochemicals, financial services, infrastructure development and tourism. As a result, nominal GDP for the non-oil and gas sector grew by 3.2 per cent. in 2015, considerably higher than the oil and gas sector which declined by 41.3 per cent. in 2015. Nominal GDP for the non-oil and gas sector was QR 367,967 million (U.S.\$102,006 million), or 61.4 per cent. of Qatar's total nominal GDP, in 2015. Nominal GDP for the non-oil and gas sector was 68.8 per cent. of Qatar's total nominal GDP for the first nine months in 2016.

In recent years, Qatar has focused on developing and exploiting its natural gas resources beyond the LNG industry by implementing a downstream strategy driven by opportunities to generate additional revenue from its existing oil and gas production. Qatar Petroleum has developed pipeline gas projects both for regional export markets and for domestic petrochemicals and industrial consumption. In addition, Qatar Petroleum is the majority shareholder in a number of industrial companies located primarily at Ras Laffan City and Mesaieed Industrial City, which use natural gas as feedstock and/or fuel to produce various value added products, such as petrochemicals, fertiliser, steel, iron and metal coating, both for domestic consumption and

for export. Qatar has also invested in exploiting various gas-to-liquid (“GTL”) technologies and has two joint venture projects currently in operation to generate GTL products like distillates.

Throughout a period characterised by rapid growth and development, Qatar has demonstrated fiscal responsibility by managing its budget and public finances prudently. In 2009, Qatar’s current debt to GDP ratio was less than 10 per cent. However, between 2009 and 2012, Qatar’s indebtedness increased, mainly due to the support given by Qatar to the commercial banking sector during the global financial crisis in 2009 and the issuance of bonds and treasury bills by the Qatar Central Bank in 2010, 2011 and 2012 to absorb excess liquidity among domestic commercial banks and to develop a yield curve for riyal-denominated domestic bonds. Following the global financial crisis, Qatar has tightened the regulatory framework applicable to the commercial banking sector. In recent years, Qatar has reduced its total external indebtedness and its total internal indebtedness. According to a report by the Ministry of Finance as sourced by the IMF, Qatar’s total direct external indebtedness was QR 67.0 billion (U.S.\$18.4 billion) as at 31 March 2015 and QR 83.4 billion (U.S.\$22.9 billion) as at 29 February 2016. Most of Qatar’s significant energy projects are funded on a stand-alone, limited recourse basis.

The significant revenues generated by the oil and gas sector (which contributed QR 195,414 million and QR 163,788 million of Qatar’s annual revenues in the fiscal years ended 31 March 2014, 31 March 2015, respectively) have provided sustained liquidity while ensuring sizeable surpluses in the fiscal and external accounts. Qatar has had budget surpluses since the fiscal year ended 31 March 2001, with an estimated budgeted surplus of QR 123,455 million for the fiscal year ended 2015. However, in light of the recent downturn in global financial market conditions and the difficult macro-economic environment (including the severe drop in oil prices), the Government has announced a projected budget deficit for the 2017 fiscal year of approximately QR 28.3 billion, down from a QR46.5 billion budget deficit for the 2016 year. The Government has announced measures to curb the shortfall and counter the impact of reduced oil and gas prices on the economy by rationalising expenditure as well as accessing the local and international debt markets in order to sustain spending in certain sectors, such as health, education, infrastructure and transport.

Qatar’s trade activity is strong, with total goods exported (including re-exports) in 2015 valued at QR 281,351 million (U.S.\$77,294 million) and total imports in 2015 valued at QR 103,726 million (U.S.\$28,496 million). Between 2010 and 2015, the value of Qatar’s exports increased from QR 272,871 million to QR 281,351 million, and the value of imports increased from QR 76,210 million to QR 103,726 million. The external sector has been characterised by a large current account surplus each year since 2000 and robust growth in imports has been counterbalanced by a significant rise in hydrocarbon exports.

In its March 2015 Article IV Consultation: Staff Report and Press Release on Qatar (the “**2015 Article IV Report**”), the IMF noted the following:

- Qatar continues to implement an ambitious diversification strategy through a large public investment programme, while retaining its systemic role in the global natural gas market;
- the recent large drop in oil and natural gas prices will lead to a substantial deterioration of the fiscal and external balances;
- Qatar’s growth will remain strong in 2015, but is expected to slow going forward;
- consumer price inflation is contained, although real estate prices have grown quickly;
- ongoing budget reforms are welcome and should be deepened further;
- banks remain sound and the financial sector regulatory agenda is moving forward, but emerging risks and vulnerabilities need to be carefully monitored;

- the prospects of persistently low oil prices and slowing medium-term growth call for intensification of diversification efforts; and
- the fixed exchange rate regime remains appropriate for Qatar.

In recent years, Qatar has used its budget surpluses to diversify the economy through increased spending on infrastructure, social programmes, healthcare and education, which have modernised Qatar's economy. Qatar's economic growth has also enabled it to diversify its economy through domestic and international investment into different classes of assets. This diversification will be important to Qatar's future Government revenues as the growth rate of the state's revenue from the oil and gas sector is expected to stabilise given the completion of several of the State's long-term hydrocarbon investment programmes. In 2005, the QIA was established to propose and implement investments for Qatar's growing financial reserves, both domestically and abroad. Through the QIA, Qatar has invested in private equity, the banking sector, real estate, publicly traded securities and alternative assets. With its growing portfolio of international and domestic long-term strategic investments, the QIA has continued to develop Qatar's economic diversification strategy while contributing to the nation's significant economic expansion.

The QIA has provided financial support to Qatar's financial sector as a response to the global economic downturn and as a preventative measure to preserve the general stability in Qatar's banking sector. A portion of the budget surplus has also been placed into stabilisation funds administered by the QIA. Education and health services are expected to be funded in future years by the interest derived from revenues of designated LNG trains currently being placed into dedicated stabilisation funds. The Government does not publish figures relating to the size, scope or performance of the portfolio of investments administered by the QIA.

In December 2010, Qatar made headlines around the world when it was awarded the right to host the Federation Internationale de Football Association (FIFA) 2022 World Cup (the "2022 World Cup"). The 2022 World Cup provides opportunities for Qatar to invest in further developing its infrastructure and diversifying its economy.

## Annual Indicators

The following table shows certain economic data for Qatar for the periods indicated:

	<b>2014</b>	<b>2015<sup>(1)</sup></b>	<b>2016<sup>(2)</sup></b>
Nominal GDP (QR millions).....	750,658	599,295	407,089
Growth rate (%) .....	3.8	(20.2)	4.2
Mining and quarrying activities share (%).....	52.5	38.6	31.2
Growth rate (%) .....	(2.2)	(41.3)	8.7
Non-Mining and quarrying activities share (%).....	47.5	61.4	68.8
Growth rate (%) .....	11.3	3.2	2.3
GDP per capita (QR thousand).....	338.7	245.8	Not available
CPI-Inflation (%) <sup>(3)</sup> .....	340	1.80	2.8

Source: Qatar Central Bank December 2016 Quarterly Statistical Bulletin Note:

Notes:

(1) Preliminary estimates.

(2) Up to 31 September only.

- (3) On a yearly basis.

## **Inflation**

Consumer Price Index inflation (the “CPI”) in Qatar increased every year from 0.2 per cent. in 2002 to 15.2 per cent. in 2008 with a CAGR of 9.7 per cent. over that period. Qatar witnessed deflation of 4.9 per cent. in 2009 and 2.4 per cent. in 2010, reflecting mainly a decrease in housing costs. Inflation was 1.9 per cent. in 2012, 3.1 per cent. in 2013, 2.8 per cent. in 2014 and 2.1 per cent. in 2015. The Qatar Central Bank’s Quarterly Statistical Bulletin for December 2015 indicates that the inflation rate in Qatar was 3.1 per cent. in the first quarter of 2016 and then fell to 2.8 per cent. in the third quarter of 2016. According to the Ministry of Development, Planning and Statistics’ Qatar Economic Outlook 2016-2018 report, the Government has projected the CPI for the 2017 and 2018 fiscal years to be 3.4 per cent. and 3.6 per cent., respectively.

The increase in inflation prior to 2009 was primarily accounted for by the rapid and sustained increase in rental prices, as well as an increase in international food and raw material prices. Prior to 2009, the rental component of the CPI increased sharply by an average 19.7 per cent. in 2008, 29.2 per cent. in 2007 and 25.9 per cent. in 2006. In order to address the domestic housing shortage and control housing prices, the Government supported several domestic and residential construction projects. As a result, cost pressure abated and rental prices stabilised. The housing cost component of the CPI fell by an average 12.0 per cent. in 2009, 12.7 per cent. in 2010, 4.9 per cent. in 2011 and 3.2 per cent. in 2012. However, the housing cost component of the CPI has increased since 2012 by an average 5.8 per cent. in 2013, 7.8 per cent. in 2014 and 2.87 per cent. in 2015.

The Qatar Central Bank uses various monetary instruments to address price stability. The required reserve ratio for commercial banks was increased to 4.75 per cent. in 2008 in an effort to absorb excess liquidity from the domestic markets. Certificates of deposit for terms of one, three, six and nine months were increased from zero at the end of 2007 to a total of QR 8.0 billion (U.S.\$2.2 billion) as at March 2010 and were subsequently reduced to zero in 2011. They have remained at zero until the date of this Base Prospectus. In addition, the Qatar Central Bank maintained its lending interest rate at 5.5 per cent. from 2007 until April 2011 and its deposit interest rate at 2.0 per cent. from May 2008 until August 2010. The most recent cuts took place in August 2011, when rates on lending decreased from 5.0 per cent. to 4.5 per cent. and rates on deposits decreased from 1.0 per cent. to 0.75 per cent. The United States Federal Reserve Bank reduced its benchmark deposit rate on several occasions from 5.25 per cent. in September 2007 to 0.25 per cent. in December 2008 and then most recently, increased it to 0.75 per cent. in December 2016.

## **National Vision**

In October 2008, Qatar’s General Secretariat for Development Planning developed and published the Qatar National Vision 2030 (the “**National Vision**”). The National Vision defines broad future trends and long-term objectives for Qatar, providing the framework within which national strategies and implementation plans can be developed. Besides establishing the foundation for developing Qatar’s future strategies and policies, the National Vision has also helped to strengthen co-ordination between governmental agencies and to integrate planning efforts for the Government, the private sector and civic organisations. The four cornerstones of the National Vision are human, social, economic and environmental development, in the context of which the State aims to balance: (i) modernisation and the preservation of traditions; (ii) the needs of the current generation and the needs of future generations; (iii) managed growth and uncontrolled expansion; (iv) the size and quality of the expatriate labour force; and (v) economic growth, social development, and environmental management. The Qatar National Vision is to be achieved through a series of medium term plans. The first

such six-year plan, referred to as the National Development Strategy (NDS 2011-16), was released in March 2011.

## Qatar Property Market

### Real estate transactions

The QCB publishes information on the Real Estate Price Index (“REPI”). The REPI has been developed based on sale transactions registered with the Ministry of Justice and is published on a monthly basis. The table below shows the level of the REPI as at the dates shown.

	2015		2016			
	September	December	March	June	September	December
REPI .....	299.8	292.0	307.6	297.1	266.8	279.1

According to the QCB’s Financial Stability Review 2015, the expansion of infrastructure and growth in population have contributed to an increased demand in land, which in turn led to an increase in real estate prices in Qatar. Increasing investment for more and better facilities for education, medical services and the social sector as well as projects associated with the FIFA World Cup and the National Vision 2030 have led to increased demand for land and other resources for construction. In addition, the acquisition of some residential and commercial areas by the Government for major projects has contributed to a lower supply of land and houses in those areas and an increase in demand in other areas. Going forward, as the growth in population moderates, rising real estate prices are also likely to decelerate.

### Market overview

*The information set out below on the residential, retail and hospitality markets has been derived from a report by DTZ Qatar (Property Times – A New Wave of Real Estate supply hits the market – Qatar Q4 2016, the “DTZ Report”). This information is provided as background information only and no investment decisions should be made solely on the basis of it. The DTZ Report states that “This report should not be relied upon as a basis for entering into transactions without seeking specific, qualified, professional advice. Whilst facts have been rigorously checked, DTZ can take no responsibility for any damage or loss suffered as a result of any inadvertent inaccuracy within this report”.*

### Residential market

According to the DTZ Report, the residential property market in Qatar has been driven by rapid population growth, with 2016 seeing a 7.6 per cent. year on year increase in the population. The DTZ Report notes that a significant number of these new residents in Qatar are construction workers and as a result, demand has been on low-end, rather than high-end, or mid-sector housing.

According to the DTZ Report, reduced demand, coupled with an increase in supply of prime and secondary housing units, saw rental levels decrease in many residential neighbourhoods for the first 9 months of 2016. The DTZ Report notes that although the final quarter of 2016 saw rental levels stabilise, it is unlikely that rents will increase again in the short term due to the pipeline of new supply that is likely to come to the market between the end of 2016 and 2018.

The DTZ Report notes that 2016 saw an increase in demand for both apartments and villas in more peripheral suburbs such as Ein Khaled, Abu Hamour and Muaither, where good quality modern buildings are being developed and leased at lower rents than are available in more central neighbourhoods.



### ***Retail market***

The DTZ Report notes the overall supply of organised retail accommodation in Qatar increased by 30 per cent. in December 2016 with the opening of the Mall of Qatar, bringing the total supply in Doha to 838,000 square metres, distributed across 15 malls.

According to the DTZ Report, Qatar has benefitted from strong growth in retail trade in recent years, which has been driven by the increasing population as well as high disposable income. The DTZ Report notes that the recent economic slowdown has impacted the retail sector however, with retail spending reported to be down by between 10 per cent. and 15 per cent. since 2015, however retailers across the GCC region are optimistic about Qatar's retail performance in the short to medium term. According to the DTZ Report, rents in existing malls in Doha currently range from QR 260 to QR 300 per square metre per month for standard line units, although larger anchor stores tend to secure accommodation for between QR 170 and QR 220 per square metre per month.

According to the DTZ Report, there are currently 9 new retail malls under construction throughout Doha and its environs, which will increase overall supply of accommodation in retail malls to 1.85 million square metres and there is the potential for rents and occupancy rates to be impacted by an oversupply. The DTZ Report notes that despite the more challenging economic climate in 2016, retail rents and occupancy levels have not been impacted, as retailers are typically subject to lease terms of 5 years and will take a longer term view on the prevailing economic climate.

### ***Hospitality market***

According to the DTZ Report, the Qatar Tourism Authority's (the "QTA") 2015 annual report states that the overall supply of hotel rooms and apartment hotels in Qatar is estimated to have surpassed 20,700 by December 2015, an increase of 30 per cent. in 24 months. The DTZ Report suggests that approximately 1,800 additional rooms were added to the market in 2016, the most recent being the Al Rayyan Hotel at Mall of Qatar, and the Curve in West Bay, both of which opened in December 2016.

The DTZ Report states that there are currently 125 hotel and hotel apartment establishments in Doha. 88% of hotel rooms and more than 70 per cent. of establishments are categorized as either 4-Star or 5-Star. According to QTA forecasts, 43 per cent. of upcoming establishments in the development pipeline fall within these high-end categories, although more than 50 per cent. of the development pipeline has yet to be classified.

According to the DTZ Report, approximately 25,000 hotel rooms and hotel apartments, in 64 buildings, are currently at various stage of construction in Qatar. The DTZ Report notes that if completed on schedule, the total supply of hotel rooms and hotel apartments could increase to more than 47,000 rooms by 2020. Qatar has obligations to provide more than 60,000 hotel rooms for the 2022 World Cup, however the quantity of stock in the pipeline has led to concerns of an oversupply within the sector, particularly in the 5 star category.

According to the DTZ Report, based on the most recent figures released by Qatar Tourism Authority in September 2016, the total tourist numbers for the first nine months of the year reached 2.18 million, a three per cent. decrease on the corresponding period in 2015. The DTZ Report notes this drop in tourist numbers and the oversupply of hotel rooms has had an impact on hotel performance, with statistics published by the Ministry of Development and Planning showing for the first nine months of 2016, occupancy rates had fallen to 61 per cent., a drop of 14 per cent. from 2015. Overall, average daily rates in Qatar fell to QAR491.

## SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

*The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Principal Paying Agent (as defined in the Conditions). Defined terms used below have the meaning given to them in the Terms and Conditions and the glossary of defined terms set out below (see “— Defined Terms”).*

### **Master Purchase Agreement**

The Master Purchase Agreement will be entered into on 20 March 2017 between the Trustee (in its capacity as “**Purchaser**”) and the Obligor (in its capacity as “**Seller**”) and will be governed by the laws of Qatar. A Supplemental Purchase Agreement (together with the Master Purchase Agreement and in respect of a Series, the “**Purchase Agreement**”) between the same parties will be entered into on the Issue Date of each Series and will also be governed by the laws of Qatar.

Pursuant to the Purchase Agreement, the Seller will sell to the Purchaser, and the Purchaser will agree to purchase from the Seller, all of the Seller’s Interests in a portfolio of assets comprising the Initial Asset Portfolio, together with all of the Seller’s other rights, title, interests, benefits and entitlements therein, for an amount equal to the Purchase Price, which will be payable on the Issue Date of the relevant Series. The Purchaser will use no less than 51 per cent. of the Issue Proceeds of a Series to purchase such Interests pursuant to the Purchase Agreement. To effect such acquisition, the Seller and the Purchaser will enter into a Supplemental Purchase Agreement on the Issue Date of the relevant Series which will, among other things, describe the Initial Asset Portfolio and specify its Purchase Price.

### **Service Agency Agreement**

The Service Agency Agreement will be entered into on 20 March 2017 between the Trustee and Ezdan (in its capacity as Service Agent) and will be governed by English law.

Pursuant to the Service Agency Agreement, the Trustee will appoint the Service Agent to manage the Wakala Portfolio relating to each Series. In particular, the Service Agent, in relation to each Series:

- (a) will manage the Wakala Portfolio in accordance with the Wakala Services Plan, the terms of which will be completed in respect of each Series;
- (b) shall, subject to Clause 5.2 of the Service Agency Agreement, ensure that at all times (including following a partial dissolution of the Certificates of the relevant Series) the Tangibility Ratio is not less than 33 per cent. and if, at any time, the Tangibility Ratio should fall below 33 per cent. the Service Agent shall use its reasonable endeavours to as soon as reasonably possible thereafter acquire, using amounts standing to the credit of the Reserve Account, sufficient Eligible Wakala Assets to raise the Tangibility Ratio to a level that is equal to or greater than 33 per cent. by entering into an agreement with Ezdan (as seller) that is in form and substance similar to the form of Supplemental Purchase Agreement (as amended to reflect the above-mentioned circumstances and conditions);
- (c) shall, subject to Clause 5.2 of the Service Agency Agreement, use all reasonable endeavours to ensure that the Asset Portfolio for such Series will comprise only of Eligible Wakala Assets (provided that, for the purposes of this sub-paragraph (c), sub-paragraph (e) of the definition of Eligible Wakala Asset shall not apply);
- (d) shall use all reasonable endeavours to manage the Wakala Portfolio such that the Value of the Wakala Assets, when aggregated with the outstanding Deferred Sale Price, is at all times at least equal to the

aggregate face amount of the Certificates then outstanding for such Series (which, for the avoidance of doubt shall not include any Certificates redeemed and/or cancelled pursuant to Condition 8);

- (e) shall carry out all Major Maintenance and Structural Repair in respect of the Wakala Assets for such Series on account and on behalf of the Trustee and in so doing the Service Agent shall:
  - (A) ensure that accurate and current records are kept of all Major Maintenance and Structural Repair activities;
  - (B) conduct regular and proper inspection of the Wakala Assets and ensure that Major Maintenance and Structural Repair is carried out with the proper quality of materials and workmanship; and
  - (C) ensure that Major Maintenance and Structural Repair is carried out by qualified persons and in accordance with all applicable regulations and law,

in each case, in accordance with good maintenance practice expected from a prudent person carrying on business and operations similar to that of the Service Agent on an arm's length basis and in order to fully maintain the value of the Wakala Assets applicable to such Series;

- (f) shall use all reasonable endeavours to ensure the timely receipt of all Wakala Portfolio Revenues (free and clear of, and without withholding or deduction for, Taxes), investigate non-payment of Wakala Portfolio Revenues and generally use all reasonable efforts to collect or enforce the collection of such Wakala Portfolio Revenues under the relevant contract or instrument as and when the same shall become due and shall record such Wakala Portfolio Revenues in the Collection Account;
- (g) (for so long as the Trustee remains the owner of the Wakala Assets applicable to such Series in its name and on behalf of the Certificateholders) it shall promptly pay (prior to the same becoming overdue), on behalf of the Trustee, all Proprietorship Taxes (if any) charged, levied or claimed in respect of such Wakala Assets by any relevant taxing authority and promptly provide to the Trustee appropriate receipts or certificates from the relevant taxing authority for the full amount of all Proprietorship Taxes paid by it;
- (h) shall do all acts and things (including execution of such documents, issue of notices and commencement of any proceedings) that it considers reasonably necessary to ensure the assumption of and compliance by each Real Estate Lessee with its covenants, undertakings or other obligations under the relevant Real Estate Lease to which it is a party in accordance with the laws of Qatar and the terms of the relevant Real Estate Lease, in each case in respect of the Wakala Assets applicable to such Series;
- (i) shall discharge or procure the discharge of all obligations to be discharged by the Trustee in respect of the Wakala Portfolio, it being acknowledged that the Service Agent may appoint one or more agents to discharge these obligations on its behalf;
- (j) shall pay any actual costs, expenses, losses (excluding penalty payments, costs of funds and opportunity costs) and Taxes which would otherwise be payable by the Trustee as a result of the Trustee's ownership of the Wakala Portfolio;
- (k) shall use all reasonable endeavours to renew existing Real Estate Leases in respect of the Wakala Assets applicable to such Series, or where such Real Estate Leases are not to be renewed, use all reasonable endeavours to source new tenants;
- (l) shall maintain the Collection Account and the Reserve Account, in each case in accordance with the terms of the Service Agency Agreement;

- (m) shall obtain and maintain all necessary authorisations in connection with any of the Wakala Assets and its obligations under or in connection with the Service Agency Agreement;
- (n) if, following payment of amounts standing to the credit of the Reserve Account, a Shortfall Amount remains on any Wakala Distribution Determination Date, it may (i) provide Shariah-compliant funding to the Trustee itself, or (ii) procure Shariah-compliant funding from a third party to be paid to the Trustee, in each case to the extent necessary to ensure that the Trustee receives on each Wakala Distribution Determination Date the Required Amount payable by it in accordance with the Conditions of the relevant Series on the immediately following Periodic Distribution Date, by payment of the same into the Transaction Account and on terms that such funding is repayable (i) from amounts standing to the credit of the Collection Account on any subsequent Wakala Distribution Determination Date, or (ii) on the relevant Dissolution Date (such funding in relation to a Series, a “**Liquidity Facility**”); and
- (o) shall carry out any incidental matters relating to any of the above.

The Service Agent also undertakes in the Service Agency Agreement, in relation to each Series, that it shall:

- (i) in accordance with normal business practices, keep and maintain all documents, books, records and other information reasonably necessary or advisable for the collection of all amounts due in respect of the Deferred Sale Price and the Wakala Assets (including, without limitation, records adequate to permit the identification of all amounts received in respect of the Deferred Sale Price and each Wakala Asset, as the case may be, and records of all rentals and other amounts or distributions accruing to the Trustee (on behalf of the Certificateholders) under the Wakala Portfolio during each Wakala Distribution Period and records of all movements in the Collection Account and the Reserve Account); and
- (ii) except to the extent it is under any duty or obligation to keep such information referred to in paragraph (i) above confidential, make such documents, books, records and other information (and provide copies thereof) available to the Trustee or such other person as the Trustee may request.

The Service Agent shall provide the services under the Service Agency Agreement in accordance with all applicable laws and regulations and with the degree of skill and care that it would exercise in respect of its own assets and shall manage the Wakala Assets in accordance with generally accepted Shariah principles.

Ezdan shall be entitled to receive a fee for acting as Service Agent which will comprise a fixed fee of U.S.\$100 (the receipt and adequacy of which is acknowledged by the Service Agent under the Service Agency Agreement) and may also receive incentive payments as described below.

In the Service Agency Agreement, the Trustee and the Service Agent agree that, provided no Dissolution Event or Potential Dissolution Event has occurred and is continuing in relation to the relevant Series, Ezdan may at any time exercise its rights under the Sale and Substitution Undertaking to substitute any one or more of the Wakala Assets relating to such Series with new assets, and any such substitution shall be undertaken on the terms and subject to the conditions of the Service Agency Agreement and the Sale and Substitution Undertaking.

The Service Agent will maintain, in relation to each Series, two book-entry ledger accounts (referred to as the “**Collection Account**” and the “**Reserve Account**”), each of which shall be denominated in the Specified Currency.

All Wakala Portfolio Revenues relating to a Series will be recorded in the Collection Account.

Amounts standing to the credit of the Collection Account relating to each Series will be applied by the Service Agent on behalf of the Trustee on each Wakala Distribution Determination Date in the following order of priority:

- (a) first, in repayment of any Service Agent Liabilities Amounts for the Wakala Distribution Period ending before the immediately following Wakala Distribution Date and (if applicable) any Service Agent Liabilities Amounts for any previous Wakala Distribution Period that remain unpaid and any amounts due and repayable under a Liquidity Facility;
- (b) second, in payment into the relevant Transaction Account an amount equal to the lesser of the Required Amount payable on the immediately following Periodic Distribution Date and the balance of the Collection Account; and
- (c) third, any amounts still standing to the credit of the Collection Account immediately following payment of the relevant amounts pursuant to paragraphs (a) and (b) shall be debited from the Collection Account and credited to the Reserve Account.

Amounts standing to the credit of the Reserve Account (if any) relating to each Series shall be applied by the Service Agent as follows:

- (i) if, on a Wakala Distribution Determination Date (after (i) payment into the relevant Transaction Account of the relevant amount in accordance with sub-Clause 6.3.2 and (ii) taking into account any other payments made or to be made into the Transaction Account pursuant to any other Transaction Document) there is a shortfall between (A) the amounts standing to the credit of the Transaction Account and (B) the Required Amount payable on the immediately following Periodic Distribution Date (the difference between such amounts being referred to in this Agreement as a “**Shortfall Amount**”), by paying into the Transaction Account on that Wakala Distribution Determination Date from the amounts standing to the credit of the Reserve Account (if any and after having re-credited any deducted amounts pursuant to sub-Clause 6.4.2) an amount equal to the Shortfall Amount (or such lesser amount as is then standing to the credit of the Reserve Account).
- (ii) the Service Agent may deduct amounts standing to the credit of the Reserve Account at any time during the Wakala Ownership Period and use such amounts for its own account, provided that it shall immediately re-credit all such amounts to the Collection Account (for on-payment into the Transaction Account) if so required to fund a Shortfall Amount or upon the occurrence of a Dissolution Event or a Total Loss Event; and
- (iii) following payment in full of all amounts due and payable under the Certificates on the Scheduled Dissolution Date (or any earlier Dissolution Date on which all of the Certificates are to be redeemed), the Service Agent shall be entitled to retain any remaining amounts standing to the credit of the Reserve Account for its own account as an incentive payment for acting as Service Agent (in relation to each Series, an “**Incentive Payment**”).

The Service Agent will agree in the Service Agency Agreement that all payments by it to the Trustee under the Service Agency Agreement will be made without any deduction or withholding for or on account of Taxes unless required by law and, except in the limited circumstances set out in Clause 7.2 of the Service Agency Agreement, without set-off or counterclaim of any kind. If there is any such deduction or withholding required by law, the Service Agent shall pay all additional amounts as will result in the receipt by the Trustee and each other Compensated Person, as applicable, of such net amounts as would have been received by it if no deduction or withholding had been made. The payment obligations of the Service Agent under the Service Agency Agreement in relation to a Series will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 6(b)(i)) unsecured obligations of the Service Agent and

shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 6(b)(i), at all times rank at least equally with all of its other unsecured, unsubordinated and general obligations, present and future.

### **Purchase Undertaking**

The Purchase Undertaking will be executed as a deed on 20 March 2017 by Ezdan as obligor and will be governed by English law.

Provided that no Total Loss Event has occurred, Ezdan will, in relation to each Series, irrevocably undertake in favour of the Trustee and the Delegate to purchase:

- (a) all of the Trustee's Interests in the Asset Portfolio applicable to the relevant Series on the Scheduled Dissolution Date, a Dissolution Event Redemption Date, each Change of Control Put Date and each Certificateholder Put Right Date, as the case may be, in each case provided that all Certificates of the relevant Series are to be redeemed in full on such date;
- (b) a proportion of the Trustee's Interests in the Asset Portfolio on each Change of Control Put Date and each Certificateholder Put Right Date on which some but not all the Certificates of the relevant Series are to be redeemed, where such proportion of Interests in the Wakala Assets will be equal to such proportion as is determined by dividing (i) the aggregate face amount of the Certificates being redeemed pursuant to the Change of Control Put Right or the Certificateholder Put Right, as the case may be, by (ii) the aggregate face amount of the Certificates of the relevant Series outstanding immediately prior to such redemption pursuant to the Change of Control Put Right or the Certificateholder Put Right, as the case may be (the "**Change of Control Assets**" or "**Certificateholder Put Right Assets**", respectively),

in each case in consideration for payment by the Obligor of the relevant Exercise Price, Change of Control Exercise Price or Certificateholder Put Right Exercise Price, as the case may be, by entering into a sale agreement.

Pursuant to the Service Agency Agreement, the Service Agent may, from time to time, and shall in certain circumstances substitute Wakala Assets comprised in the Asset Portfolio for New Assets as more particularly described above. To effect such substitution, Ezdan shall irrevocably grant the right to the Trustee and the Delegate to require Ezdan to sell to the Trustee its Interests in the relevant New Assets in consideration for the sale to Ezdan of all of the Trustee's Interests in the Substituted Assets pursuant to the Purchase Undertaking, provided that certain conditions are satisfied.

Ezdan will undertake in the Purchase Undertaking that, if:

- (a) the sale of the Interests in the Initial Asset Portfolio applicable to each Series from Ezdan (in its capacity as Seller) to the Trustee (in its capacity as Purchaser) under the Master Purchase Agreement and the relevant supplemental Purchase Agreement is not valid or effective, or becomes invalid or ineffective, in whole or in part, in any jurisdiction for any reason (the "**Initial Defective Sale**"); or
- (b) the sale of any of the Trustee's Interests in:
  - (i) the Asset Portfolio, the Optional Dissolution Assets, the Certificateholder Put Right Assets, the Change of Control Assets or the Substituted Assets pursuant to the exercise (or purported exercise, as the case may be) of the Purchase Undertaking by the Trustee or the Delegate (as applicable); or
  - (ii) the Asset Portfolio, the Cancellation Assets or the Substituted Assets pursuant to the exercise (or purported exercise, as the case may be) of the Sale and Substitution Undertaking by Ezdan,

is not valid or effective, or becomes invalid or ineffective, in whole or in part, in any jurisdiction for any reason, including without limitation by reason of any Initial Defective Sale (a “**Subsequent Defective Sale**”),

and as a result of either the Initial Defective Sale or a Subsequent Defective Sale, the Trustee or the Delegate (as applicable) is unable to realise in full, or does not actually receive in full, the relevant Exercise Price, Certificateholder Put Right Exercise Price, Change of Control Exercise Price or Optional Dissolution Exercise Price, as the case may be, which is expressed to be due and payable under the Purchase Undertaking at the relevant time, the Obligor shall:

- (A) in respect of the Initial Defective Sale, immediately on demand, make payment to the Trustee or the Delegate (as applicable) of an amount equal to the Purchase Price by way of restitution; and
- (B) in respect of any Subsequent Defective Sale, immediately on demand, indemnify fully the Trustee or the Delegate (as applicable) for the relevant Exercise Price, Certificateholder Put Right Exercise Price, the Change of Control Exercise Price or the Optional Dissolution Exercise Price, as the case may be, which is expressed to be due and payable under the relevant undertaking at the relevant time (without double counting any amounts actually received pursuant to paragraph (A) above).

Ezdan will agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking will be made without any deduction or withholding for or on account of Tax unless required by law and, except in the limited circumstances set out in clause 4.2 of the Purchase Undertaking, without set-off or counterclaim of any kind and, in the event that there is any deduction or withholding required by law, Ezdan shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no deduction or withholding had been made. The payment obligations of Ezdan under the Purchase Undertaking in relation to a Series and any sale agreement will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 6(b)(i)) unsecured obligations of Ezdan and shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 6(b)(i), rank at least equally with all other unsecured and unsubordinated general obligations of Ezdan, present and future.

Where the Change of Control Assets or Certificateholder Put Right Assets, as the case may be, would include a proportion of one Wakala Asset that is less than the whole of such Wakala Asset, a Transfer Agreement shall not be entered into in respect of such proportion of the Interests in, to and under that Wakala Asset (the “**Relevant Asset**”) and the sale and transfer to the Obligor of such Relevant Asset shall be deferred until such time as the Exercise Price, the Change of Control Exercise Price or the Certificateholder Put Right Exercise Price, as the case may be, becomes payable by the Obligor in relation to such Relevant Asset in full (the “**Relevant Transfer Date**”), and the Trustee shall hold the Relevant Asset for the benefit of the Obligor, until the Relevant Transfer Date.

#### **Sale and Substitution Undertaking**

The Sale and Substitution Undertaking will be executed as a deed on 20 March 2017 by the Trustee and will be governed by English law.

Pursuant to the Sale and Substitution Undertaking, provided there has been no Total Loss Event, the Trustee will irrevocably grant to Ezdan the right:

- (a) provided that a Tax Event has occurred, to require the Trustee to sell to Ezdan all of the Trustee’s Interests in the Asset Portfolio applicable to the relevant Series on the Early Tax Dissolution Date and at the Exercise Price specified in the relevant Exercise Notice by executing a sale agreement;

- (b) provided that (i) Optional Dissolution Right is specified as applicable in the relevant Final Terms and (ii) Ezdan has exercised the Optional Dissolution Right in accordance with the Conditions, to require the Trustee to sell to Ezdan on the Optional Dissolution Date all of the Trustee's Interests in the Optional Dissolution Assets at the Optional Dissolution Exercise Price specified in the relevant Exercise Notice by executing a sale agreement;
- (c) provided that (i) Obligor Clean Up Call Right is specified as applicable in the relevant Final Terms and (ii) 75 per cent. or more in face amount of the Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to Condition 8, to require the Trustee to sell to Ezdan all of the Trustee's Interests in the Asset Portfolio applicable to the relevant Series on the Clean Up Call Right Dissolution Date and at the Exercise Price specified in the relevant Exercise Notice by executing a sale agreement; and
- (d) subject to the terms of clause 5.2 of the Service Agency Agreement, to require the Trustee, on the applicable Substitution Date, to sell to Ezdan all of its Interests in the Substituted Assets against the sale to the Trustee of all of its Interests in the New Assets, together with all of its other rights, title, interests, benefits and entitlements therein, provided that:
  - (A) no Dissolution Event or Potential Dissolution Event has occurred and is continuing in respect of the relevant Series;
  - (B) the New Assets are of a Value which (i) is equal to or greater than the Value of the Substituted Assets and (ii) when aggregated with the Value of the Wakala Assets not replaced or substituted on the Substitution Date, does not result in the Tangibility Ratio falling below 33 per cent.;
  - (C) the New Assets are Eligible Wakala Assets;
  - (D) each New Asset, prior to becoming part of the Asset Portfolio, was owned by the Obligor;
  - (E) each New Asset is free and clear of any Adverse Claim and, upon the sale to the Trustee of Ezdan's Interests in such New Asset, the Trustee will acquire such Interests in the New Asset, together with all the rights, title, interests, benefits and entitlements that Ezdan may have in such New Asset, free and clear of any Adverse Claim;
  - (F) each New Asset does or will comply in all material respects with Shariah principles as laid down by the Shariah Board; and
  - (G) in respect of the Substituted Assets (or any of them) the Obligor has not delivered an Exercise Notice under this Deed nor has any Exercise Notice (as defined under the Purchase Undertaking) been delivered under the Purchase Undertaking, in each case where such Exercise Notice remains outstanding and the related redemption or cancellation of Certificates referred to therein has not occurred in accordance with the Conditions,
 in each case, as certified by Ezdan in the relevant sale agreement;
- (e) if and to the extent that any Certificates of a Series are to be cancelled pursuant to Condition 8(i), and provided that a Cancellation Notice in relation thereto has been served on the Trustee by Ezdan, to require the Trustee to sell to Ezdan on the Cancellation Date all of the Trustee's Interests in a proportion of the Wakala Assets comprised in the Asset Portfolio equal to such proportion as is determined by dividing (i) the aggregate face amount of Certificates to be cancelled by (ii) the aggregate face amount of the Certificates of the relevant Series then outstanding (the "**Cancellation Assets**") in consideration for cancellation of the Cancelled Certificates pursuant to Condition 8(j), subject to the conditions set out in the Sale and Substitution Undertaking, by executing a sale agreement.



Where the Cancellation Assets would include a proportion of one Wakala Asset that is less than the whole of such Wakala Asset, a Sale Agreement shall not be entered into in respect of such Wakala Asset (the “**Relevant Asset Interests**”) and the sale to Ezdan of such Relevant Asset Interests shall be deferred until such time as the Exercise Price becomes payable by Ezdan in relation to such Relevant Asset Interests in full (the “**Relevant Sale Date**”) and the Trustee shall hold the Relevant Asset Interests for the benefit of Ezdan, until the Relevant Sale Date.

#### **Master Murabaha Agreement**

The Master Murabaha Agreement will be entered into on 20 March 2017 between the Trustee (in its capacity as Seller) and Ezdan (in its capacity as the “**Buyer**”) and will be governed by English law.

In connection with each Series of Certificates, the Trustee shall enter into a Commodity Murabaha Investment with the Buyer using no more than 49 per cent. of the issue proceeds of the Series.

Pursuant to the Master Murabaha Agreement, the Seller agrees and undertakes that, on receipt of a purchase order from the Buyer, the Seller shall on the Issue Date for the relevant Series and on the terms set out in the purchase order enter into purchase transactions no later than the Issue Date with the Commodity Supplier to purchase Commodities at the Commodity Purchase Price. Following the purchase of the Commodities by the Seller from the Commodity Supplier, and provided that the Seller has acquired title to, and actual or constructive possession of, the Commodities, the Seller shall deliver to the Buyer no later than the Issue Date a letter of offer and acceptance indicating the Seller’s acceptance of the terms of the purchase order made by the Buyer and detailing the terms of the offer for the sale of the Commodities to the Buyer from the Seller no later than the Issue Date.

Pursuant to the Master Murabaha Agreement, the Buyer irrevocably and unconditionally undertakes to accept the terms of, countersign and deliver to the Seller any letter of offer and acceptance delivered to it in accordance with the Master Murabaha Agreement and (as a result of the Seller having acted on the request of the Buyer set out in the purchase order) purchase the Commodities acquired by the Seller for the Deferred Sale Price (to be paid in the currency and amounts and on the dates as specified in the relevant Letter of Offer and Acceptance).

As soon as the Buyer has countersigned the letter of offer and acceptance, a murabaha contract (a “**Murabaha Contract**”) shall be created between the Seller and the Buyer upon the terms of the letter of offer and acceptance and incorporating the terms and conditions set out in the Master Murabaha Agreement, the Seller shall sell and the Buyer shall buy the Commodities on the terms set out in the letter of offer and acceptance and ownership of and all risks in and to the relevant Commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto.

#### **The Master Declaration of Trust, as supplemented by each Supplemental Declaration of Trust.**

The Master Declaration of Trust will be entered into on 20 March 2017 between the Trustee, the Obligor and the Delegate and will be governed by English law. A Supplemental Declaration of Trust between the same parties will be entered into on the Issue Date of each Series of Certificates and will also be governed by English law.

Upon issue of a Series of Certificates, the Master Declaration of Trust and the relevant Supplemental Declaration of Trust shall together constitute the trust over the relevant Trust Assets declared by the Trustee in relation to such Series (the Master Declaration of Trust as supplemented by the relevant Supplemental Declaration of Trust for each Series being referred to herein as the “**Declaration of Trust**”).

The Trust Assets in respect of each Series of Certificates shall comprise:

- (a) the cash proceeds of the issue of the relevant Series of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (b) the Wakala Portfolio;
- (c) the rights, title, interest, benefits and entitlements, present and future of the Trustee in the Transaction Documents (other than in relation to the Excluded Representations (as defined in the Conditions) and the covenant given to the Trustee pursuant to Clause 17.1 of the Master Declaration of Trust);
- (d) all moneys standing to the credit of the Transaction Account from time to time; and
- (e) all proceeds of (a) to (d) above.

Pursuant to the relevant Declaration of Trust, the Trustee will, in relation to each Series of Certificates, amongst other things (i) hold the relevant Trust Assets on trust absolutely for and on behalf of the Certificateholders as beneficiaries *pro rata* according to the face amount of Certificates of that Series held by each Certificateholder; and (ii) act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the relevant Declaration of Trust.

Pursuant to the Master Declaration of Trust, the Trustee will irrevocably and unconditionally appoint the Delegate to be its attorney and in its name, on its behalf and as its act and deed to:

- (a) execute, deliver and perfect all documents, and
- (b) to exercise all of the present and future powers (including the power to sub-delegate), trusts, rights, authorities (including, but not limited to, the authority to request directions from any Certificateholders and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Trustee by the Declaration of Trust and the Certificates,

that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event or a Potential Dissolution Event, and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction, (i) exercise all of the rights of the Trustee under the Purchase Undertaking and any of the other Transaction Documents and (ii) make such distributions from the Trust Assets as the Trustee is bound to make in accordance with the Conditions and the Declaration of Trust (together the “**Delegation**” of the “**Relevant Powers**”), **provided that** (i) no obligations, duties, liabilities or covenants of the Trustee pursuant to the Certificates, the Declaration of Trust or any other Transaction Document shall be imposed on the Delegate by virtue of the Delegation); (ii) in no circumstances will such Delegation of the Relevant Powers result in the Delegate holding on trust the Trust Assets; and (iii) such Delegation of the Relevant Powers shall not include any duty, power, trust, right, authority or discretion to dissolve the trusts constituted by the Declaration of Trust following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Delegate. The Trustee will undertake in the Master Declaration of Trust to ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of its powers pursuant to the Delegation.

The Delegation is to be made by the Trustee to the Delegate for the benefit of the Delegate and the Certificateholders, subject to the terms of the Conditions and the Declaration of Trust. Each of the Obligor and the Trustee will confirm in the Master Declaration of Trust that the Delegate may (at the expense of the Obligor and/or the Trustee) consult with or request and rely on (without liability to any person for so doing) the advice of any lawyer, valuer, banker, broker, accountant or other expert in exercising the rights, powers or actions delegated to it under the Master Declaration of Trust.

In addition to the Delegation of the Relevant Powers, certain powers under the Master Declaration of Trust will be vested solely in the Delegate, including, amongst other things, the power to call and conduct meetings at the request of Certificateholders, to waive or authorise a breach of an obligation or determine that a

Dissolution Event or Potential Dissolution Event shall not be treated as such, and the power to consent to certain types of amendments to any Transaction Document or the memorandum and articles of association of the Trustee, in each case as more particularly described in the Master Declaration of Trust.

Pursuant to the Master Declaration of Trust, Ezdan will agree to pay certain fees and expenses incurred by the Trustee and/or the Delegate and will grant certain indemnities in favour of the Trustee and the Delegate in respect of any liabilities incurred in connection with their involvement in the Programme.

The Master Declaration of Trust will specify that the rights of recourse in respect of Certificates shall be limited to the amounts from time to time available and comprising the relevant Trust Assets of that Series. The Certificateholders have no claim or recourse against the Trustee to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished.

A non-interest bearing Transaction Account will be established in respect of each Series of Certificates. Monies received in the Transaction Account in respect of each Series will, inter alia, comprise Wakala Portfolio Revenues (see “*Summary of the Principal Transaction Documents — Service Agency Agreement*” and “*Summary of the Principal Transaction Documents — Master Murabaha Agreement*”). The Master Declaration of Trust provides that all monies credited to the Transaction Account in respect of each Series will be applied in the order of priority set out in Condition 5(b).

#### **Agency Agreement**

The Agency Agreement will be entered into on 20 March 2017 in relation to the Certificates between, amongst others, the Trustee, Ezdan, the Delegate, the Principal Paying Agent and the Registrar. The Agency Agreement will govern the arrangements between the Trustee and the agents named therein for the issuance of Certificates and the making of payments in respect thereof. The Agency Agreement will be governed by English law.

#### **Defined Terms**

“**Asset Portfolio**” means, in respect of each Series (i) the Initial Asset Portfolio relating to that Series and (ii) from the time of any substitution of any Wakala Asset relating to such Series in accordance with the Service Agency Agreement, the Purchase Undertaking and/or the Sale and Substitution Undertaking, as the case may be, shall include the New Asset(s) so substituted for such Wakala Asset and shall cease to include the Substituted Asset so replaced and excluding, for the avoidance of doubt, any Cancellation Assets, Certificateholder Put Right Assets, Change of Control Assets or Optional Dissolution Assets;

“**Asset Portfolio Revenues**” means rental payments and other amounts paid in respect of the relevant Asset Portfolio by the relevant Real Estate Lessee under the relevant Real Estate Lease other than any penalty payments that are payable in respect of such relevant Asset Portfolio by any such Real Estate Lessee under such relevant Real Estate Lease;

“**Business Day**” means, in respect of each Certificate, (i) a day other than a Saturday or Sunday on which Euroclear and Clearstream, Luxembourg are operating; (ii) a day on which banks and foreign exchange markets are open for general business in the city of the Principal Paying Agent’s specified office; and (iii) (if a payment is to be made on that day) a day on which banks and foreign exchange markets are open for general business in the principal financial centre for the Specified Currency or, in the case of euro, a day on which the TARGET System is operating;

“**Certificateholder Put Right Exercise Price**” means, in relation to each Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the Certificateholder Put Right Certificates less the Principal Murabaha Amount; plus

- (b) without duplication or double counting, all accrued and unpaid Periodic Distribution Amounts (if any) less any amounts held by the Trustee in the Transaction Account for the payment of such Periodic Distribution Amounts; plus
- (c) if all of the Certificates of the relevant Series are being redeemed in full, an amount equal to the Outstanding Liquidity Amount (if any); plus
- (d) if all of the Certificates of the relevant Series are being redeemed in full, without duplication or double counting, an amount representing any amounts payable by Ezdan Sukuk Company Limited (in any capacity) under the Transaction Documents (including but not limited to any outstanding Service Agent Liabilities Amounts), provided that, in the case of any amounts payable pursuant to each of Condition 5(b)(i) and Condition 5(b)(ii) (as the case may be), Ezdan has received notification from the relevant party referred to in such Conditions of such amounts by not later than the third Business Day prior to the date on which the Exercise Notice is delivered; plus
- (e) without duplication or double counting, any other amounts payable in relation to the Certificates being redeemed on the exercise of the Certificateholder Put Right as specified in the applicable Final Terms;

“**Change of Control Exercise Price**” means, in relation to each Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the Change of Control Certificates less the Principal Murabaha Amount; plus
- (b) without duplication or double counting, all accrued and unpaid Periodic Distribution Amounts (if any) less any amounts held by the Trustee in the Transaction Account for the payment of such Periodic Distribution Amounts; plus
- (c) if all of the Certificates of the relevant Series are being redeemed in full, an amount equal to the Outstanding Liquidity Amount (if any); plus
- (d) if all of the Certificates of the relevant Series are being redeemed in full, without duplication or double counting, an amount representing any amounts payable by Ezdan Sukuk Company Limited (in any capacity) under the Transaction Documents (including but not limited to any outstanding Service Agent Liabilities Amounts), provided that, in the case of any amounts payable pursuant to each of Condition 5(b)(i) and Condition 5(b)(ii) (as the case may be), Ezdan has received notification from the relevant party referred to in such Conditions of such amounts by not later than the third Business Day prior to the date on which the Exercise Notice is delivered; plus
- (e) without duplication or double counting, any other amounts payable in relation to the Certificates being redeemed on the exercise of the Change of Control Put Right as specified in the applicable Final Terms;

“**Collection Account**” means the book-entry ledger account where Wakala Portfolio Revenues in relation to each Series will be recorded;

“**Commodities**” means the Shariah-compliant commodities (excluding currencies, gold and silver, that are each used as a medium of exchange) which are identified in the Purchase Order and Letter of Offer and Acceptance in connection with any Series;

“**Commodity Buyer**” means a person other than the Commodity Supplier to whom the Buyer sells Commodities;

“**Commodity Murabaha Investment**” means, in relation to each Series, the sale of Commodities by the Seller to the Buyer, initially purchased by the Seller using no more than 49 per cent. of the proceeds of the

issue of the Certificates of such Series, pursuant to the Master Murabaha Agreement and having the terms set out in the relevant Murabaha Contract;

“**Commodity Supplier**” means a person other than the Commodity Buyer from whom the Seller purchases the Commodities;

“**Deferred Sale Price**” means, in relation to a Murabaha Contract, the amount specified as such in the relevant Letter of Offer and Acceptance comprised of (i) the relevant Commodity Purchase Price and (ii) the relevant profit amount;

“**Designated Area**” means (a) the 18 investment areas in Qatar where, pursuant to the Cabinet Resolution No. (6) of 2006, as may be amended or supplemented from time to time, a non-Qatari person may own a 99 year usufruct right over the relevant real estate; and (b) any other real estate in Qatar, from time to time, in respect of which the Trustee may own freehold title or a usufruct right under the laws of Qatar;

“**Eligible Wakala Asset**” means a Real Estate Asset:

- (a) that is used for purposes which do not conflict with the principles of Shariah;
- (b) in respect of which the relevant Real Estate Lessee is not in breach of its payment obligations under any documents associated with such Real Estate Asset;
- (c) which constitutes legal, valid, binding and enforceable obligations of the Real Estate Lessee under the related Real Estate Lease in Qatar;
- (d) in respect of which the Seller is entitled to receive all payments due to it in respect of such Real Estate Asset; and
- (e) Interests in which are capable of being sold by the Seller to the Purchaser (and vice versa as applicable) in accordance with the terms set out in the relevant Transaction Documents;

“**Exercise Notice**” means a notice substantially in the form set out in Schedule 1 to the Sale and Subscription Undertaking;

“**Exercise Price**” means, in relation to each Series, an amount equal to the aggregate of:

- (a) the aggregate outstanding face amount of Certificates of the relevant Series less the Principal Murabaha Amount; plus
- (b) without duplication or double counting, all accrued and unpaid Periodic Distribution Amounts (if any) less any amounts held by the Trustee in the Transaction Account for the payment of such Periodic Distribution Amounts; plus
- (c) an amount equal to the Outstanding Liquidity Amount (if any); plus
- (d) without duplication or double counting, an amount representing any amounts payable by Ezdan Sukuk Company Limited (in any capacity) under the Transaction Documents (including but not limited to any outstanding Service Agent Liabilities Amounts), provided that, in the case of any amounts payable pursuant to each of Condition 5(b)(i) and Condition 5(b)(ii) (as the case may be), Ezdan has received notification from the relevant party referred to in such Conditions of such amounts by not later than the third Business Day prior to the date on which the Exercise Notice is delivered; plus
- (e) without duplication or double counting, any other amounts payable on redemption of the Certificates as specified in the applicable Final Terms;

“**Initial Asset Portfolio**” means, in relation to a Series, the assets described in the schedule to the relevant Supplemental Purchase Agreement;

“**Interest**” means, with respect to any Wakala Asset, a 99 year right of usufruct in such Wakala Asset granted pursuant to Law No 17 of 2004 of Qatar, and “Interests” shall be construed accordingly;

“**Letter of Offer and Acceptance**” means the letter to be delivered by the Seller to the Buyer substantially in the form set out in Schedule 2 of the Master Murabaha Agreement;

“**Major Maintenance and Structural Repair**” means all structural repair and major maintenance (excluding Ordinary Maintenance and Repair), including doing such acts or things and taking such steps to ensure that the Wakala Assets suffer no damage, loss or diminution in value without which the Wakala Assets could not be reasonably and properly used by the Real Estate Lessee;

“**New Assets**” means, in respect of the exercise of the right granted under sub-clause 2.1.5 of the Purchase Undertaking, the assets specified as such in the relevant Substitution Instruction;

“**Optional Dissolution Assets**” means, in respect of an exercise of the right granted under sub-clause 2.1.2 of the Sale and Substitution Undertaking, the Wakala Assets specified as such in the relevant Exercise Notice, where the Value of such Wakala Assets represents a proportion of the aggregate Value of the Asset Portfolio equal to the Optional Dissolution Proportion, each as determined on the date on which the relevant Exercise Notice is delivered;

“**Optional Dissolution Certificates**” means, in respect of an exercise of the right granted under sub-clause 2.1.2 of the Sale and Substitution Undertaking, the Certificates specified as such, and in the aggregate face amount set out, in the relevant Exercise Notice;

“**Optional Dissolution Date**” means, in respect of any exercise of the right granted under sub-clause 2.1.2 of the Sale and Substitution Undertaking, the date specified as such in the relevant Exercise Notice;

“**Optional Dissolution Exercise Price**” means, in relation to each Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the Optional Dissolution Certificates less the Principal Murabaha Amount; plus
- (b) without duplication or double counting, all accrued and unpaid Periodic Distribution Amounts (if any) less any amounts held by the Trustee in the Transaction Account for the payment of such Periodic Distribution Amounts; plus
- (c) if all of the Certificates of the relevant Series are being redeemed in full, an amount equal to the Outstanding Liquidity Amount (if any); plus
- (d) if all of the Certificates of the relevant Series are being redeemed in full, without duplication or double counting, an amount representing any amounts payable by Ezdan Sukuk Company Limited (in any capacity) under the Transaction Documents (including but not limited to any outstanding Service Agent Liabilities Amounts), provided that, in the case of any amounts payable pursuant to each of Condition 5(b)(i) and Condition 5(b)(ii) (as the case may be), Ezdan has received notification from the relevant party referred to in such Conditions of such amounts by not later than the third Business Day prior to the date on which the Exercise Notice is delivered; plus
- (e) without duplication or double counting, any other amounts payable in relation to the Optional Dissolution Certificates as specified in the applicable Final Terms;

“**Optional Dissolution Proportion**” means such proportion as is determined by dividing (i) the aggregate face amount of the Optional Dissolution Certificates by (ii) the aggregate face amount of the Certificates of the relevant Series outstanding immediately prior to such redemption pursuant to the Optional Dissolution Right;

“**Optional Dissolution Right**” means the right described in Condition 8(c);

“**Ordinary Maintenance and Repair**” means all day-to-day repairs, replacements, acts, maintenance and upkeep works required for the general use and operation of the Wakala Assets and to keep, maintain and preserve the Wakala Assets in good order, state and condition;

“**Outstanding Liquidity Amount**” means the amount (if any) of funding provided under a liquidity facility pursuant to the terms of the Service Agency Agreement and which has not been repaid in accordance with the provisions of the Service Agency Agreement;

“**Principal Murabaha Amount**” means the amount equal to the Murabaha Percentage of the aggregate outstanding face amount of the Certificates to be redeemed on the relevant Dissolution Date;

“**Proprietorship Taxes**” means all taxes in relation to the Wakala Assets by law imposed, charged or levied against a proprietor, but excluding all taxes that are by law imposed, charged or levied against a lessee or tenant;

“**Purchase Price**” means the purchase price specified in the relevant Supplemental Purchase Agreement and payable by the Purchaser in respect of Interests in the Initial Asset Portfolio described therein;

“**Qatar**” means the State of Qatar;

“**Real Estate Lease**” means a lease entered into with a third party in relation to a Real Estate Asset;

“**Real Estate Lessee**” means any tenant or other party to a Real Estate Lease who has undertaken to make payments pursuant to the terms of such Real Estate Lease;

“**Required Amount**” means, in respect of each Series, an amount equal to the aggregate of (i) the amounts payable pursuant to Condition 5(b)(iii); and (ii) the amounts payable pursuant to Conditions 5(b)(i) and 5(b)(ii) (as the case may be);

“**Reserve Account**” means the book-entry ledger reserve account which the Service Agent is required to maintain pursuant to the Service Agency Agreement;

“**Service Agent Liabilities Amount**” means, in respect of each Series, the amount of any claims, losses, costs and expenses properly incurred or suffered by the Service Agent or other payments made by the Service Agent on behalf of the Trustee, in each case in providing the Wakala Services during a Wakala Distribution Period, but does not include any amount due to the Service Agent under the Service Agency Agreement in respect of any Liquidity Facility;

“**Shortfall Amount**” has the meaning given to it in sub-clause 6.4.1 of the Service Agency Agreement;

“**Substituted Assets**” means, in respect of the exercise of the right granted under sub-Clause 2.1.5 of the Purchase Undertaking, the Wakala Assets specified as such in the relevant Substitution Instruction;

“**Substitution Instruction**” means a substitution instruction in or substantially in the form set out in Schedule 3 to the Purchase Undertaking;

“**Supplemental Purchase Agreement**” means, in respect of each Series, an agreement substantially in the form set out in the Schedule to the Master Purchase Agreement;

“**Tangibility Ratio**” means, in respect of each Series, the ratio of (i) the total Value of the Wakala Assets forming part of the Wakala Portfolio applicable to such Series to (ii) the total Value of the Wakala Portfolio applicable to such Series at the relevant time;

“**Taxes**” means any present or future taxes, levies, imposts, duties or other charges or withholdings of a similar nature;

“**Value**” means, on any date, the amount in the Specified Currency determined by Ezdan (in its capacity as Service Agent for and on behalf of the Trustee) on such date as being equal to:

- (a) in respect of the Wakala Portfolio applicable to the relevant Series, the aggregate of (i) the Value of the relevant Wakala Assets and (ii) the Value of the Commodity Murabaha Investment, each calculated as described in paragraphs (b) and (c) respectively below;
- (b) in respect of a Wakala Asset, the initial value of the Interest(s) in such Wakala Asset at the time that it first became part of the relevant Wakala Portfolio which shall be equivalent to the market value or book value of such Wakala Asset at such time and, where relevant, as set out in the relevant Supplemental Purchase Agreement or the relevant Substitution Instruction, Substitution Notice and/or relevant Sale Agreement, as the case may be; and
- (c) in respect of a Commodity Murabaha Investment, the aggregate of all outstanding amounts of the relevant Deferred Sale Price and any other outstanding amounts payable in respect of such Commodity Murabaha Investment, whether then due and unpaid or due and payable on or after the relevant date;

“**Wakala Asset**” means each asset forming part of the Asset Portfolio;

“**Wakala Distribution Date**” means, in respect of each Series, during the Wakala Ownership Period, the date described as such in the Wakala Services Plan, each of which dates shall also be a Periodic Distribution Date;

“**Wakala Distribution Determination Date**” means, in respect of each Series, the Business Day immediately preceding each Wakala Distribution Date;

“**Wakala Distribution Period**” means, in respect of each Series: (i) the period beginning on (and including) the Issue Date and ending on (but excluding) the earlier of the first Wakala Distribution Date, any Dissolution Date on which all of the Certificates are to be redeemed and any earlier date on which all of the Certificates are to be cancelled; and (ii) each successive period beginning on (and including) a Wakala Distribution Date and ending on (but excluding) the next succeeding Wakala Distribution Date, any Dissolution Date on which all of the Certificates are to be redeemed in full or any earlier date on which all of the Certificates are to be cancelled;

“**Wakala Ownership Period**” means, in respect of each Series, the period commencing on the Issue Date of such Series and ending on the date on which all of the Certificates of such Series have been redeemed in full or any earlier date on which all of the Certificates have been cancelled;

“**Wakala Portfolio**” means, in respect of each Series, the Interests in the Wakala Assets for such Series and the Commodity Murabaha Investment for such Series, all other rights arising under or with respect to such Interests and the Commodity Murabaha Investment (including the right to receive payment of the Deferred Sale Price and any other amounts or distributions due in connection with the relevant Interests and Commodity Murabaha Investment); and

“**Wakala Portfolio Revenues**” means, in respect of each Series, all revenues in respect of the relevant Wakala Portfolio including (i) any amounts of Deferred Sale Price to be paid in respect of the Commodity Murabaha Investment and (ii) any Asset Portfolio Revenues.



## TAXATION

*The following is a general description of certain Cayman Island and Qatari tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates, whether in those jurisdictions or elsewhere. Prospective purchasers of Certificates should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Certificates and receiving payments under the Certificates and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.*

### **Cayman Islands**

*The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Certificates. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.*

Under existing Cayman Islands laws, payments on the Certificates will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of the Certificates, nor will gains derived from the disposal of the Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax.

The Cayman Islands has entered into two intergovernmental agreements to improve international tax compliance and the exchange of information - one with the United States and one with the United Kingdom (the "US IGA" and the "UK IGA", respectively). The Cayman Islands has also signed, along with over 60 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "CRS").

Regulations were issued pursuant to the Cayman Islands Tax Information Authority Law (2014 Revision) (as amended) on 4 July 2014 to give effect to the US IGA and the UK IGA, and on 16 October 2015 to give effect to the CRS (together, the "AEOI Regulations"). All Cayman Islands 'Financial Institutions' (including the Trustee) will be required to comply with the reporting requirements of the AEOI Regulations, unless the Trustee can rely on an exemption that permits it to be treated as a 'Non-Reporting Cayman Islands Financial Institution' (as defined in the relevant AEOI Regulations). The Trustee is relying upon one of the available exemptions under the AEOI Regulations giving effect to the US IGA and UK IGA and therefore qualifies as a 'Non-Financial Foreign Entity' for such purposes. As such, the Trustee will have no registration, due diligence or reporting requirements under such AEOI Regulations. However, the Trustee does not propose to rely on any reporting exemption under the AEOI Regulations giving effect to the CRS and will therefore comply with the registration, due diligence and reporting requirements of such AEOI Regulations as a 'Reporting Financial Institution'. As such, the Trustee is required to (i) register with the Cayman Islands Tax Information Authority (the "TIA"), and thereby notify the TIA of its status as a 'Reporting Financial Institution', (ii) conduct due diligence on its accounts to identify whether any such accounts are considered 'Reportable Accounts', and (iii) report information on such Reportable Accounts to the TIA. The TIA will transmit such information to any applicable overseas fiscal authorities.

The Trustee has received an undertaking from the Governor in Cabinet of the Cayman Islands, pursuant to the Tax Concessions Law (2011 Revision) of the Cayman Islands, that for a period of 20 years from 11 May 2016 no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Trustee or its operations and, in addition, that no tax to be levied on profits,

income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable on or in respect of the shares, debentures or other obligations (which includes the Certificates) of the Trustee or by way of the withholding in whole or part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2011 Revision). No capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Certificates. However, an instrument transferring title to such Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised capital. At current rates, this annual registration fee is approximately U.S.\$855. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

## **Qatar**

This general description of taxation in Qatar is based upon: (a) Law No. 21 of the year 2009 (the “**Income Tax Law**”); (b) the Executive Regulations of the Income Tax Law issued in June 2011 (the “**Executive Regulations**”); (c) Circular No.2 of 2011; and (d) the published practices that have been adopted and applied by the Director of Public Revenues and Taxes Department at the Ministry of Finance in Qatar, each as in effect on the date of this Base Prospectus. This general description is subject to any subsequent change in Qatar tax law, regulations and practice that may come into force after such date.

Under the Income Tax Law, tax is imposed on income derived from a source in Qatar. Income derived from a source in Qatar includes gross income arising from an activity carried on in Qatar, contracts wholly or partially performed in Qatar and real estate situated in Qatar (including the sale of shares in companies or partnerships, the assets of which consist mainly of real estate situated in Qatar). The gross income of Qatari natural persons resident in Qatar, including their shares in the profits of legal entities, is exempt from Qatar tax as is the capital gains on the disposal of real estate and securities derived by natural persons, provided that the real estate and securities so disposed of do not form part of the assets of a taxable activity. Natural or legal persons deemed subject to income tax in Qatar will either pay tax at the standard rate of 10 per cent. on the net taxable income or the tax will be withheld at source from the gross payment to be made.

A withholding tax applies to certain payments made to “non-residents” (as defined in the Income Tax Law) in respect of activities not connected with a permanent establishment in Qatar. Particularly, the Income Tax Law specifies a withholding tax rate of 7 per cent. on payments of interest. The Executive Regulations which apply to the Income Tax Law provide for certain exemptions to withholding tax on interest payments. These exemptions are: (i) interest on deposits in banks in Qatar; (ii) interest on bonds and securities issued by Qatar and public authorities, establishments, corporations and companies owned wholly or partly by Qatar; (iii) interest on transactions, facilities and loans with banks and financial institutions; and (iv) interest paid by a permanent establishment in Qatar to the head office or to an entity related to the head office outside Qatar.

The provisions of the Income Tax Law and the Executive Regulations apply to profit payments made under Islamic financial instruments (including the Certificates).

The profit payments received by the Trustee from the Obligor, acting in any capacity, under the relevant Transaction Document will be exempt from withholding tax, under (ii) above, on the basis that the Obligor is currently partly owned by Qatar and under (iii) if the Certificateholders are banks and financial institutions.

If the Obligor ceases to have any shareholders that include Qatar or any authority thereof or any entity wholly or partly owned by Qatar, the exemption at paragraph (ii) of Article 21.4 of the Executive Regulations will cease to apply and if the Certificateholders are not banks or financial institutions, payments in the nature of profit made by the Obligor to the Trustee under the Transaction Documents will be subject to withholding tax. However, the Transaction Documents provide that in certain circumstances the Obligor is required to pay

such additional amounts as will result in receipt by the Trustee after such withholding or deduction of such amounts as would have been received by it had no such withholding or deduction been required.

There is no stamp duty, capital gains tax or sales tax applicable in Qatar (however, unless specifically exempt under the Qatar tax law, gains of a capital nature are treated as income and taxed at the same rate as income).

### **The Proposed Financial Transactions Tax (“FTT”)**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Certificates (including secondary market transactions) in certain circumstances. The issuance and subscription of Certificates should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Certificates are advised to seek their own professional advice in relation to the FTT.

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the Cayman Islands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Certificates, such withholding would not apply prior to 1 January 2019 and Certificates issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Certificates. In the event any withholding

would be required pursuant to FATCA or an IGA with respect to payments on the Certificates, no person will be required to pay additional amounts as a result of the withholding.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated 20 March 2017 between the Trustee, the Obligor and the Arrangers (as Permanent Dealers) (the “**Dealer Agreement**”), the Certificates will be offered on a continuous basis by the Trustee to the Permanent Dealers. However, the Trustee has reserved the right to sell Certificates directly on its own behalf to Dealers that are not Permanent Dealers. The Certificates may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Certificates may also be sold by the Trustee through the Dealers, acting as agents of the Trustee. The Dealer Agreement also provides for Certificates to be issued in syndicated Series that are jointly and severally underwritten by two or more Dealers.

Each of the Trustee and the Obligor has agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment of, and any continuing responsibilities relating to, the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection with the offer and sale of the Certificates.

The Trustee and the Obligor will pay each relevant Dealer an underwriting, management and selling commission as agreed between them in respect of Certificates subscribed by it.

The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Certificates in certain circumstances prior to payment for such Certificates being made to the Trustee.

Certain of the Dealers and their respective affiliates have from time to time performed, and may in the future perform, investment banking, commercial banking and various financial and advisory services for, and have from time to time provided, or may provide, credit facilities to the Obligor for which they have received, or may in the future receive, customary fees and expenses. Each of the Dealers and their respective affiliates may, from time to time, engage in further transactions with, and perform services for, the Obligor in the ordinary course of their respective businesses.

### Selling Restrictions

#### United States

The Certificates have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer or sell Certificates (i) as part of their distribution at any time; or (ii) otherwise until expiration of 40 days after the completion of the distribution of all Certificates of the Series of which such Certificates are a part, as determined and certified to the Principal Paying Agent by such Dealer (or, in the case of a Series of Certificates sold to or through more than one Dealer, by each of such Dealers with respect to Certificates of a Series purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Certificates during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Certificates are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until the expiration of 40 days after the commencement of the offering of any Series of Certificates, an offer or sale of Certificates within the United States by any dealer (whether or not participating in the offering of such Series of Certificates) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Obligor for use in connection with the offer and sale of the Certificates outside the United States. The Trustee, the Obligor and the Dealers reserve the right to reject any offer to purchase the Certificates, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Trustee and the Obligor of any of its contents to any such U.S. person or other person within the United States, is prohibited.

### **Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Certificates to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee for any such offer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Certificates referred to in (i) to (iii) above shall require the Trustee or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Certificates to the public” in relation to any Certificates in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including by Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Certificates which have a maturity of less than one year (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (b) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or the Obligor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

#### **State of Qatar**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, delivered or sold, and will not offer, deliver or sell at any time, directly or indirectly, any Certificates in Qatar (including the Qatar Financial Centre), except (i) in compliance with all applicable laws and regulations of Qatar, including the Qatar Financial Centre; and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar. This Base Prospectus has not been filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, Qatar Financial Centre Regulatory Authority or any other relevant Qatar governmental body or securities exchange.

#### **UAE (excluding the Dubai International Financial Centre)**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

#### **Dubai International Financial Centre**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Certificates to any person in the Dubai International Financial Centre unless such offer is:

- (i) an “Exempt Offer” in accordance with the Markets Rules Module of the Dubai Financial Services Authority (the “**DFSA**”) Rulebook; and
- (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA Rulebook.

#### **Kingdom of Bahrain**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Certificates, except on a private placement basis, to persons in the Kingdom of Bahrain who are “accredited investors”.

For this purpose, an “**accredited investor**” means:

- (i) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more;
- (ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (iii) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

### **Kingdom of Saudi Arabia**

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a “**Saudi Investor**”) who acquires any Certificates pursuant to an offering should note that the offer of Certificates is a private placement under Article 10 or Article 11 of the “Offers of Securities Regulations” as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated 18 August 2008 (the “**KSA Regulations**”), through a person authorised by the Capital Market Authority (the “**CMA**”) to carry on the securities activity of arranging and following a notification to the CMA under the KSA Regulations.

The Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to “sophisticated investors” under Article 10 of the KSA Regulations or by way of a limited offer under Article 11 of the KSA Regulations. Each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Certificates to a Saudi Investor will be made in compliance with the KSA Regulations.

The offer of Certificates shall not therefore constitute a “Public Offer” pursuant to the KSA Regulations, but is subject to the restrictions set out under Article 17 of the KSA Regulations places restrictions on secondary market activity with respect to the Certificates, including as follows:

- (a) a Saudi Investor (referred to as a “**transferor**”) who has acquired Certificates pursuant to a private placement may not offer or sell those Certificates to any person (referred to as a “**transferee**”) unless the offer or sale is made through an authorised person where one of the following requirements is met:
  - (i) the price to be paid for the Certificates in any one transaction is equal to or exceeds Saudi Riyals one million or an equivalent amount;
  - (ii) the Certificates are offered or sold to a sophisticated investor; or
  - (iii) the Certificates are being offered or sold in such other circumstances as the CMA may prescribe for these purposes;
- (b) if the requirement of paragraph (a)(i) above cannot be fulfilled because the price of the Certificates being offered or sold to the transferee has declined since the date of the original private placement, the transferor may offer or sell the Certificates to the transferee if their purchase price during the period of the original private placement was equal to or exceeded Saudi Riyals 1 million or an equivalent amount;
- (c) if the requirement in paragraph (b) above cannot be fulfilled, the transferor may offer or sell Certificates if he/she sells his/her entire holding of Certificates to one transferee; and
- (d) the provisions of paragraphs (a), (b) and (c) above shall apply to all subsequent transferees of the Certificates.



## Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold Certificates, and will not, directly or indirectly, offer or sell any Certificates in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act of 1949 (Act No. 228 of 1949, as amended), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

## Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**Companies Ordinance**”) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## Malaysia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) this Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia (the “**SC**”) under the Capital Markets and Services Act 2007 of Malaysia (the “**CSMA**”); and
- (ii) accordingly, the Certificates have not been and will not be offered or sold, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Schedule 6 (or Section 229(1)(b)) and Schedule 7 (or Section 230(1)(b)) read together with Schedule 8 (or Section 257(3)) of the CSMA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the SC and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Certificates or caused such Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell such Certificates or cause such Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Certificates, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”); (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or; (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Certificates pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments)(Shares and Debentures) Regulations 2005 of Singapore.

## **Switzerland**

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Certificates described herein. The Programme and the Certificates may not be publically offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to the Programme or the Certificates constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Base Prospectus nor any other offering or marketing material relating to the Programme and the Certificates may be publically distributed or otherwise made publically available in Switzerland.

**Cayman Islands**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no invitation or offer, whether directly or indirectly, to subscribe for any Certificates issued under the Programme, has been or will be made to the public in the Cayman Islands.

**General**

These selling restrictions may be modified by the agreement of the Obligor, the Trustee and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Certificates to which it relates or in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Certificates, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers or sells Certificates or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms.

## GENERAL INFORMATION

- (1) This Base Prospectus has been approved by the Central Bank of Ireland as competent authority under the Prospectus Directive. Such approval relates only to the Certificates which are to be admitted to trading on the Main Securities Market or any other MiFID regulated markets or which are to be offered to the public in any EU Member State. The Central Bank of Ireland only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Obligor in connection with the Certificates and is not itself seeking admission of the Certificates to the Official List or to trading on the Main Securities Market for the purposes of the Prospectus Directive.
- (2) Application has been made to the Irish Stock Exchange plc for Certificates issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to the Official List and admitted to trading on the Main Securities Market. It is expected that each Series of Certificates which is to be admitted to the Official List and to trading on the Main Securities Market will be admitted separately as and when issued, subject only to the issue of a Global Certificate representing the Certificates of such Series. Prior to official listing and admission to trading, however, dealings will be permitted by the Irish Stock Exchange plc in accordance with its rules. Transactions on the Main Securities Market will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Certificates may be issued pursuant to the Programme.
- (3) Each of the Trustee and the Obligor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the establishment of the Programme, the issue and performance of the Certificates and the entry into and performance of the Transaction Documents to which it is a party. The update of the Programme and the issuance of Certificates thereunder was authorised by a resolution of the board of directors of the Trustee dated 16 March 2017, a resolution of the board of directors of the Obligor dated 25 April 2017 and a resolution of the shareholders of the Obligor dated 11 April 2016.
- (4) There has been no significant change in the financial or trading position, or material adverse change in the prospects, of the Trustee since the date of its incorporation.

There has been no significant change in the financial or trading position of the Obligor or of the Group since 31 December 2016 and there has been no material adverse change in the prospects of the Obligor or of the Group since 31 December 2016.

- (5) Neither the Trustee nor the Obligor nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee or the Obligor is aware) in the twelve months preceding the date of this Base Prospectus which may have or has had in such period a significant effect on the financial position or profitability of the Trustee, the Obligor or the Group.
- (6) Certificates have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Certificates will be set out in the applicable Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any Alternative Clearing System will be specified in the applicable Final Terms.

- (7) There are no material contracts entered into other than in the ordinary course of the Trustee's or the Obligor's respective business, which could result in any member of the Group being under an obligation or entitlement that is material to the Trustee's or the Obligor's ability to meet its obligations to Certificateholders in respect of the Certificates being issued.
- (8) Where information in this Base Prospectus has been sourced from third parties this information has been accurately reproduced and as far as the Trustee and the Obligor are aware and have been able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
- (9) The issue price and the amount of the relevant Certificates will be determined by the Trustee, the Obligor and the relevant Dealer(s) before filing of the applicable Final Terms of each Series, based on prevailing market conditions. Neither the Obligor nor the Trustee intends to provide any post-issuance information in relation to any issue of Certificates.
- (10) For a period of 12 months following the date of this Base Prospectus, physical copies (and English translations, where appropriate) of the following documents will, when published be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Principal Paying Agent:
- (i) the constitutional documents of the Trustee and the Obligor;
  - (ii) the Transaction Documents;
  - (iii) the audited consolidated financial statements of the Obligor as at and for the years ended 31 December 2016 and 31 December 2015, together with the audit reports prepared in connection therewith;
  - (iv) the most recently published audited consolidated financial statements of the Obligor and the most recently published unaudited interim condensed consolidated financial statements (if any) of the Obligor, in each case together with any audit or review reports prepared in connection therewith;
  - (v) each Final Terms (save that Final Terms relating to a Series which is neither admitted to trading on a regulated market within the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a Certificateholder of such Series and such holder must produce evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of Certificates and identity);
  - (vi) this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and
  - (vii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Base Prospectus.

The Final Terms for Certificates that are listed on the Official List and admitted to trading on the Main Securities Market and, for a period of 12 months only from the date hereof, this Base Prospectus will be published on the website of the Central Bank of Ireland ([www.centralbank.ie](http://www.centralbank.ie)).

- (11) Copies of the latest annual report, the most recently published audited consolidated financial statements of the Obligor and the most recently published unaudited interim consolidated financial

statements (if any) of the Obligor may be obtained at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Certificates is outstanding.

- (12) EY of Burj Al Gassar, 24<sup>th</sup> Floor, Majlis Al Taawon Street, P.O. Box 164, West Bay, Doha, State of Qatar have audited, and rendered unqualified audit reports on, the consolidated financial statements of the Obligor as at and for the years ended 31 December 2016 and 2015. Ernst & Young are independent auditors registered to practise as auditors with the Department of Companies Control, Ministry of Business and Commerce in Qatar.

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements.

**THE TRUSTEE**

**Ezdan Sukuk Company Limited**

c/o MaplesFS Limited  
P.O. Box 1093  
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Grand Cayman  
KY1-1102  
Cayman Islands

**THE OBLIGOR**

**Ezdan Holding Group Q.P.S.C.**

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Doha, State of Qatar

**ARRANGERS AND DEALERS**

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8 Canada Square  
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United Kingdom

**Mashreqbank P.S.C.**  
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Dubai Internet City  
MashreqBank  
Dubai  
United Arab Emirates

**DELEGATE**

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United Kingdom

**REGISTRAR**

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Germany

**PRINCIPAL PAYING AGENT, TRANSFER AGENT AND CALCULATION AGENT**

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State of Qatar

**LISTING AGENT**

**Arthur Cox Listing Services Limited**

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Earlsfort Terrace  
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**LEGAL ADVISERS**

*To the Obligor*

*in respect of English and Qatari law*

**Allen & Overy LLP**

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**Allen & Overy LLP**

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*To the Trustee*

*in respect of Cayman Islands law*

**Maples and Calder (Dubai) LLP**

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*To the Dealers*

*in respect of English law*

**Linklaters LLP**

Ninth Floor, Currency House  
Dubai International Financial Centre  
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United Arab Emirates

*in respect of Qatari law*

**Al Tamimi & Company**

Al Jazeera Tower, 7<sup>th</sup> Floor  
61 Conference Street, Zone 61  
PO Box 23443  
West Bay  
Doha  
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*To the Delegate*  
*in respect of English law*

**Linklaters LLP**  
One Silk Street  
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