



Mumtalakat Sukuk Holding Company

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

Multicurrency Trust Certificate Issuance Programme

Under the multicurrency trust certificate issuance programme (the **Programme**) described in this Base Prospectus (the **Base Prospectus**), Mumtalakat Sukuk Holding Company (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).

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 Bahrain Mumtalakat Holding Company B.S.C. (c) (the **Obligor** or **Mumtalakat**) which appointment may be for a specific issue of Certificates or on an on-going 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) an amended and restated master declaration of trust (the **Master Declaration of Trust**) dated 11 February 2019 entered into by the Trustee, the Obligor and Citibank N.A., London Branch as delegate of the Trustee (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 Ireland as competent authority under the Prospectus Directive (as defined below). 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 trading as Euronext Dublin (**Euronext Dublin**) 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 the regulated market of Euronext Dublin. The regulated market of Euronext Dublin is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, **MiFID II**). Such approval relates only to the Certificates which are to be admitted to trading on a regulated market for the purposes of MiFID II and/or which are to be offered to the public in any EU Member State.

References in this Base Prospectus to the 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 regulated market of Euronext Dublin or, as the case may be, another MiFID II 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, the Obligor and the relevant Dealer(s). 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 regulated market of Euronext Dublin (or any other stock exchange).

The Certificates may only be issued in registered form. 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 depositary (the **Common Depositary**) 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 is expected to be rated B+ (stable outlook) by Standard & Poor's Credit Market Services Europe Limited, a division of the McGraw-Hill Companies Inc. (**Standard & Poor's**) and BB- (stable outlook) by Fitch Ratings Ltd. (**Fitch**). Each of Standard & Poor's and Fitch is established in the EU and registered under Regulation (EC) No 1060/2009, as amended (the **CRA Regulation**). As such, each of Standard & Poor's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

A 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 be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme. 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 Shari'a Supervisory Committee of BNP Paribas, the Shariah Advisory Board of Citi Islamic Investment Bank E.C., the Central Shariah Committee of HSBC Bank Middle East Limited and the Shariah Supervisory Committee of Standard Chartered Bank. 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

HSBC

National Bank of Bahrain

Dealers

BNP PARIBAS

Citigroup

HSBC

National Bank of Bahrain

Standard Chartered Bank

The date of this Base Prospectus is 11 February 2019

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 and the Group (as defined below) 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. When used in this Base Prospectus, **Prospectus Directive** means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the relevant Member State of the European Economic Area (the **EEA**).

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 amendments or supplements hereto and, in relation to any Series of Certificates, should be read and construed together with the applicable Final Terms.

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, the Dealers, the Delegate or the Agents. 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 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. The Trustee, the Obligor, the Arrangers, the Dealers, the Delegate and the Agents do not 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, the Delegate or the Agents 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, the Delegate and the Agents 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, the 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 the Certificates to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S. There are also restrictions on the distribution of this Base Prospectus and the offer or sale of the Certificates in the EEA

(including the United Kingdom), the United Kingdom, the UAE (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Bahrain, Saudi Arabia, Qatar, Kuwait, Japan, Hong Kong, Malaysia, Singapore and the Cayman Islands (see "*Subscription and Sale*").

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction the offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Trustee in such jurisdiction.

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, the Delegate or the Agents to subscribe for, or purchase, any Certificates. None of the Trustee, the Obligor, the Arrangers, the Dealers, the Delegate or the Agents makes any representation to any investor in the Certificates regarding 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.

None of the Arrangers, the Dealers, the Delegate, the Agents or any of their respective affiliates has separately verified the information contained or incorporated by reference into this Base Prospectus. No representation, warranty or undertaking, expressed or implied, is made by the Arrangers, the Dealers, the Delegate or the Agents, or any director, officer, employee, agent or affiliate of any such person, to the accuracy or completeness of any of the information contained or incorporated by reference into this Base Prospectus, and none of the Arrangers, the Dealers, the Delegate or the Agents accept any responsibility for any acts or omissions of the Trustee or the Obligor or any other person (other than the relevant Arrangers, Dealers or Agents or the Delegate) in connection with this Base Prospectus, the Programme or the issue and offering of Certificates thereunder.

To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Delegate or the Agents accept any responsibility for the contents of this Base Prospectus or for any other statement made, or purported to be made, by the Arrangers or a Dealer or on its behalf in connection with the Trustee, the Obligor or the issue and offering of the Certificates. Each of the Arrangers, the Dealers, the Delegate and the Agents 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, the Delegate or the Agents that any recipient of this Base Prospectus or any other such statements should purchase the Certificates. Each potential purchaser of the Certificates should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of the Certificates should be based upon such investigation as it deems necessary. None of the Arrangers, the Dealers, the Delegate or the Agents 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, the Dealers, the Delegate or the Agents.

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 the 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.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that those documents are incorporated and form part of this Base Prospectus.

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.

A copy of this Base Prospectus has been submitted and filed with the Central Bank of Bahrain. Filing of this Base Prospectus with the Central Bank of Bahrain does not imply that any Bahraini legal or regulatory requirements have been complied with. The Central Bank of Bahrain has not in any way considered the merits of the Certificates to be offered for investment whether in or outside of Bahrain. Neither the Central Bank of Bahrain nor the Bahrain Bourse assumes responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and each expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this Base Prospectus. The Obligor, together with any local agent or adviser, accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Obligor (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.

STABILISATION

In connection with the issue of any Series, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the Stabilisation Manager(s)) (or any person acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may 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 issue date of the relevant Series 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 must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

VOLCKER RULE

The Volcker Rule, which became effective on 1 April 2014, but was subject to a conformance period for certain entities that concluded on 21 July 2015, generally prohibits "banking entities" (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their

respective subsidiaries and other affiliates) from (i) engaging in proprietary trading; (ii) acquiring or retaining an ownership interest in or sponsoring a "covered fund"; and (iii) entering into certain relationships with "covered funds". The general effects of the Volcker Rule remain uncertain; any prospective investor in the Certificates and any entity that is a "banking entity" as defined under the Volcker Rule which is considering an investment in the Certificates should consult its own legal advisers and consider the potential impact of the Volcker Rule in respect of such investment. If investment by "banking entities" in the Certificates is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Certificates. No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Certificates, and accordingly none of the Trustee, the Obligor, the Arrangers, the Dealers, the Delegate or the Agents, or any of their respective affiliates makes any representation regarding (a) the status of the Trustee under the Volcker Rule (including whether it is a "covered fund" for their purposes); or (b) the ability of any purchaser to acquire or hold the Certificates, now or at any time in the future.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Base Prospectus contains "forward-looking statements", i.e., statements related to future, not past, events. In this context, forward-looking statements often address Mumtalakat'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, but are not limited to:

- the behaviour of financial markets and macro-economic conditions, including fluctuations in interest, profit and exchange rates, commodity and equity prices and the value of financial assets;
- continued volatility and further deterioration of the capital markets;
- the commercial and consumer credit environment including credit risks and, in particular, the impact of a higher level of credit defaults arising from adverse economic conditions, the impact of provisions and impairments and concentration of Mumtalakat's portfolio of financing and investment assets;
- liquidity risks, including the ability of Mumtalakat to meet its contractual and contingent cash flow obligations or the inability to fund its operations;
- the impact of laws and regulation (including any change thereto) and regulatory, investigative and legal actions;
- strategic actions, including acquisitions, disposals and future integration of acquired businesses and government policy affecting Mumtalakat's business activities;
- future financial performance of the banking, financial services and Islamic finance industries; and
- numerous other matters of national, regional and global scale, including those of a political, economic (in particular, the economic outlook of Bahrain), business and competitive nature.

These uncertainties may cause Mumtalakat's actual future results to be materially different than those expressed in its forward-looking statements. Although Mumtalakat believes that the expectations, estimates and projections reflected in Mumtalakat's forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise (including those which Mumtalakat has identified in this Base Prospectus), or if any of Mumtalakat's underlying assumptions prove to be incomplete or inaccurate, Mumtalakat'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*" below. Without prejudice to any requirements under applicable laws and regulations, Mumtalakat 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.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Certificates may include a legend entitled "**MiFID II product governance**" which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE SFA)

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 (the **CMP Regulations 2018**), the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Certificates are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

CERTAIN PUBLICLY AVAILABLE INFORMATION

This Base Prospectus includes statistical data and macro-economic information regarding Bahrain for the periods indicated (including information on real gross domestic product (**GDP**) and the crude oil and oil refining industries in "*Overview of Bahrain*" below). This information has been extracted from public information and information provided by, amongst other sources, the prospectus dated 4 April 2018 related to the issuance of U.S.\$1,000,000,000 trust certificates due 5 October 2025 and prepared by CBB International Sukuk Company 7 S.P.C. and the Kingdom of Bahrain (acting through the Bahrain Ministry of Finance) (the **Bahrain Prospectus**) and the Information & eGovernment Authority (**IGA**). In each case, the relevant source of such information is specified where it appears.

Each of the Trustee and Mumtalakat confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by each of the relevant sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. None of the sources referred to above and/or their relevant websites form part of this Base Prospectus.

Information contained in this Base Prospectus relating to publicly listed portfolio companies of Mumtalakat has been obtained primarily from publicly available information. The information included in relation to these portfolio companies has been obtained from public sources, including the websites of the portfolio companies and their subsidiaries and the annual reports of such companies. The sources and/or websites from which such information has been obtained do not form part of this Base Prospectus. Each of the Trustee and Mumtalakat confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

The Trustee is an exempted company established in the Cayman Islands. No financial statements for any period have been prepared in respect of the Trustee.

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

- the unaudited interim condensed consolidated financial statements of the Group as at and for the six month period ended 30 June 2018 (the **2018 Unaudited Interim Financial Statements**);
- the audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2017 (the **2017 Financial Statements**); and
- the audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2016 (together with the 2017 Financial Statements, the **Audited Financial Statements**).

The financial information relating to the Group included in this Base Prospectus for the financial year ended 31 December 2015 has been extracted from the comparative data in the audited consolidated financial statements of the Group as at and for the financial year ended 31 December 2016.

The Audited Financial Statements have been prepared in accordance with the International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (the **IASB**). The Audited Financial Statements have been audited in accordance with International Standards on Auditing by Ernst & Young Middle East (**EY**) and EY has issued unqualified opinions in respect of the Audited Financial Statements. The 2018 Unaudited Interim Financial Statements have been prepared using International Accounting Standard (IAS) 34 – Interim Financial Reporting and have been reviewed by EY in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The Group publishes its financial statements in Bahraini dinars (as defined below).

Certain financial information (including percentages) included in this Base Prospectus has been rounded and, as a result, the totals of the information presented may vary slightly from the actual arithmetic totals of such information.

Presentation of Other Information

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to **Bahraini dinars** and **BD** are to the lawful currency of Bahrain, references to **GBP** are to the lawful currency of the United Kingdom and references to **U.S.\$** and **U.S. dollars** are to the lawful currency of the United States of America (the **United States**). This Base Prospectus contains a conversion of certain BD amounts into U.S. dollars at specified rates solely for the convenience of the reader. The Bahraini dinar has been pegged to the U.S. dollar at a fixed exchange rate of $BD0.376 = U.S.\$1.00$ and, accordingly, unless otherwise indicated, U.S. dollar amounts in this Base Prospectus have been converted from BD at this exchange rate.

In addition, in this Base Prospectus, references to:

- **Abu Dhabi** are to the Emirate of Abu Dhabi in the UAE;
- **Alba** are to Aluminium Bahrain B.S.C.;
- **Bahrain** are to the Kingdom of Bahrain;
- **Bahrain Bourse** are to Bahrain Bourse Company B.S.C.(c);
- **Bahrain Flour Mills** are to Bahrain Flour Mills Company B.S.C.;

- **Bapco** are to The Bahrain Petroleum Company B.S.C.(c);
- **Batelco** are to Bahrain Telecommunications Company (Batelco) B.S.C.;
- **CBB** are to the Central Bank of Bahrain;
- **Edamah** are to Bahrain Real Estate Investment (Edamah) B.S.C.(c);
- **EDB** are to the Bahrain Economic Development Board;
- **GCC** are to the Gulf Cooperation Council;
- **Government** are to the Government of Bahrain;
- **Group** are to Mumtalakat and its consolidated subsidiaries;
- **Gulf Air** are to Gulf Air B.S.C.(c);
- **Kuwait** are to the State of Kuwait;
- **McLaren** are to McLaren Group Limited;
- **MENA region** are to the Middle East and North Africa region;
- **NBB** are to National Bank of Bahrain B.S.C.;
- **Nogaholding** are to The Oil and Gas Holding Company B.S.C.(c);
- **Oman** are to the Sultanate of Oman;
- **Qatar** are to the State of Qatar;
- **Saudi Arabia** are to the Kingdom of Saudi Arabia; and
- **UAE** are to the United Arab Emirates.

NOTICE TO RESIDENTS OF BAHRAIN

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 related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Certificates may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus or any other 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, as such term is defined by the CBB.

A copy of this Base Prospectus has been filed with the CBB. Filing of this Base Prospectus with the CBB does not imply that any Bahraini legal or regulatory requirements have been complied with. 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 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. The Obligor, together with any local agent or adviser, accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Obligor (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.

The offering complies with Legislative Decree No.(4) of 2001 with respect to the Prevention and Prohibition of the Laundering of Money and the Ministerial Orders issued thereunder, including but not limited to, Ministerial Order No.(7) of 2001 with respect to Institutions' Obligations Concerning the Prohibition and Combating of Money Laundering and Anti-Money Laundering and Combating of Financial Crime Module contained in the Central Bank of Bahrain Rulebook, Volume 6.

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, as amended (the **FSMA**)) which has not been authorised, recognised or otherwise approved by the United Kingdom 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 distribution of the Certificates (whether or not such Certificates are AFIBs) 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 promoted.

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 any Certificates.

Prospective investors in the United Kingdom in any Certificates 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 prospective investor intending to invest in any investment described in this Base Prospectus should consult its professional adviser and ensure that it fully understands all the risks associated with making such an investment and that it has sufficient financial resources to sustain any loss that may arise from such investment.

NOTICE TO RESIDENTS OF SAUDI ARABIA

This document may not be distributed in Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Saudi Arabian Capital Market Authority (the **CMA**).

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

NOTICE TO RESIDENTS OF QATAR

Any Certificates to be issued under the Programme will not be offered, sold or delivered 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 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.

TABLE OF CONTENTS

	<i>Page</i>
RISK FACTORS	1
DOCUMENTS INCORPORATED BY REFERENCE	24
STRUCTURE DIAGRAM AND CASHFLOWS	25
OVERVIEW OF THE PROGRAMME	29
TERMS AND CONDITIONS OF THE CERTIFICATES	38
SUMMARY OF PROVISIONS RELATING TO THE CERTIFICATES WHILE IN GLOBAL FORM.....	71
FORM OF FINAL TERMS.....	75
USE OF PROCEEDS	81
DESCRIPTION OF THE TRUSTEE.....	82
OVERVIEW OF BAHRAIN.....	84
RELATIONSHIP WITH THE GOVERNMENT	101
DESCRIPTION OF MUMTALAKAT	103
SUMMARY FINANCIAL DATA	125
MANAGEMENT AND CORPORATE GOVERNANCE.....	130
SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS	137
TAXATION	155
SUBSCRIPTION AND SALE	157
GENERAL INFORMATION.....	164

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.

Factors which each of the Trustee and the Obligor believes may be material for the purpose of assessing the market risks associated with the 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 the 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 Cash Flows" and "Terms and Conditions of the Certificates" 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 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 16 September 2014 as an exempted company with limited liability. 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 Transaction Documents. 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 Transaction Documents to which it is a party. 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 in aggregate may not be sufficient to meet all claims under the Certificates and the Transaction Documents). See "*— Factors that may affect Mumtalakat's ability to fulfil its obligations under the Transaction Documents*".

Factors that may affect Mumtalakat's ability to fulfil its obligations under the Transaction Documents

Risks Relating to Mumtalakat's Business

The Group's results of operations and financial condition will depend on Mumtalakat's ability to manage future growth and implement its strategy effectively

Mumtalakat was established by the Government as a holding company for its non-oil and gas assets in line with the Government's economic diversification plans. With its emphasis on value creation, Mumtalakat operates as an investment fund focused on achieving sustainable financial returns.

Mumtalakat's ability to achieve its investment objectives will depend on its ability to grow and diversify its investment base, which will depend, in turn, on its ability to identify, invest in and monitor a suitable number of investments and implement the various aspects of its investment strategy.

Mumtalakat may from time to time make substantial investments and divestments. Such transactions expose the Group to numerous risks, including:

- diversion of resources away from potential investment opportunities with potentially higher expected returns;
- diversion of resources away from the on-going monitoring, assessment, and management of Mumtalakat's existing investments;
- challenges in managing the increased scope, geographic and asset class diversity and complexity of Mumtalakat's investments;
- challenges in realising the initially expected returns at the time of making the investment during the time of divestment;
- difficulties in obtaining financing on commercially acceptable terms necessary to support the growth of new investments;
- challenges in effectively managing liquid capital raised through the divestment of Mumtalakat's existing investments during the interim until such time suitable investment opportunities are identified; and
- challenges in effectively redeploying capital raised through the divestment of Mumtalakat's existing investments.

Significant investments and divestments could thus present various risks, which, if unsuccessfully managed, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

The Group is subject to the industry and business-specific risks faced by its portfolio companies

Mumtalakat is a holding company and, as such, is dependent on the operations, revenues and cash flows generated by its investments. Mumtalakat's portfolio companies are involved in a diverse range of businesses and operations and are subject to differing risks and challenges, largely depending on the industries in which they operate. Mumtalakat is also exposed to the specific risks affecting the projects or assets of its portfolio companies. In addition, Mumtalakat's exposure to these industry and business-specific risks will continue if Mumtalakat does not maintain a diversified portfolio.

Examples of the industry and business-specific risks to which Mumtalakat's portfolio companies are exposed include:

- the aluminium industry is a cyclical industry which has historically experienced significant global demand and price volatility. Over the past few years, the market has faced overcapacity and declining prices; however 2015 saw the major producers begin work to restore supply-side discipline by cutting production. While aluminium prices declined significantly in 2015 (by 10.9 per cent.) and continued to decline in 2016 (by 3.6 per cent.), aluminium prices recovered in 2017, reaching a high of U.S.\$2,246.0 per tonne in December 2017, as compared to a year average per tonne of U.S.\$1,644.7, U.S.\$1,604.2 and U.S.\$1,968.8 in 2015, 2016 and 2017, respectively (*source*: the Bahrain Prospectus). The recent slow-down in global economic growth has also curtailed demand in the short-term. Further declining domestic demand in the People's Republic of China and Russia has led to excess supply in the market. As prices fall, demand and sentiment are expected to rise in the medium-term. In the fourth quarter of 2018, London Metal Exchange (**LME**) prices continued to be under pressure due to a strong U.S. dollar, macro-economic uncertainty and the impact of trade tensions. The world aluminium market is expected to remain in deficit of approximately 1.1 million metric tonnes. Production costs are expected to continue to rise due to alumina price hikes and increased power costs, which in turn are expected to put liquidity pressure on a significant number of smelters in 2019. These circumstances make price forecasts for Alba's products difficult to predict. Despite weak international markets, Alba has generated significant profits but there can be no assurance that this trend will continue, and sustained low demand or low prices could have a material adverse effect on Alba's business, results of operations, financial condition and prospects;
- Alba's competitive position in the global aluminium market is dependent on its continued access to sufficient gas supplies on attractive terms from its sole supplier, Bapco. Although Alba is expected to remain highly competitive globally following the conclusion of a long-term agreement with Bapco for the supply of gas on favourable terms (which is not due to expire until April 2021), as well as through reductions in production costs, efficiency improvement programmes, and maximising output of value-added products which attract higher premiums, no assurances can be given that Alba will maintain or improve its competitive position. Decisions by Bapco to change the terms under which it supplies gas to Alba or Alba's inability to lock in a long-term alternative gas supplier on commercially attractive terms could have a material adverse effect on Alba's business, financial condition, results of operations and prospects;
- on-going global geopolitical tensions, particularly those within the MENA region, can lead to factors that could affect such portfolio companies' performance. For example, the on-going conflict in Yemen could lead to disruption off its coast at the Bab al-Mandab gateway, which Alba relies on for shipments of incoming raw materials required for aluminium production and through which it ships a small portion of its finished product to customers outside of the GCC to Europe, the United States and Asia. Disruption to this shipping channel could require Alba to seek alternative shipping routes, which may be costlier and less efficient and could therefore have a material adverse effect on Alba's business, results of operations, financial condition and prospects;
- on 1 March 2018, United States President, Donald Trump, announced that the United States will impose a new 10 per cent. tariff on aluminium imports. The tariffs were implemented for the European Union, Canada and Mexico with effect from 31 May 2018. Alba's aluminium exports to the United States became subject to the new U.S. tariffs effective 23 March 2018. Mumtalakat believes that the tariffs in their current form will not have a material adverse effect on Alba's business, results of operations, financial condition and prospects since United States supply represents approximately 10 per cent. of Alba's total sales. However, there can be no assurance as to whether additional tariffs will be implemented and, if implemented, what the scope of such tariffs would be. Accordingly, there can be no guarantee that any such tariff will not have a material adverse effect on Alba's business, results of operations, financial condition and prospects;

- with respect to Batelco, regulatory changes and competition in the telecommunications industry in Bahrain may result in new entrants, a decrease in market share, an increase in customer churn rates, a decrease in the number of new customers and a decrease in the prices Batelco may charge for its services;
- the implementation of real estate projects by Edamah, or by any other of Mumtalakat's portfolio companies in the real estate sector, involves a number of risks, including government restrictions on the ability to sell or transfer government-owned land, delays or failure in obtaining the necessary governmental and regulatory permits, approvals and authorisations, significant capital expenditure requirements and a challenging financing environment for the real estate development sector due to the risks associated with any failures by real estate developers to make repayments;
- similarly, political tensions in the MENA region, coupled with high fuel prices and increased competition from regional competitors in the GCC region, may exert downward pressure on the profitability of Gulf Air. Conversely, falling fuel prices (such as in 2017) may cause competing airlines, both regional and global, to engage in drastic reductions of price as a consequence of lower fuel costs;
- the performance of NBB is influenced by conditions in the global financial markets and macro-economic trends, as well as increased competition in the Bahraini and GCC financial services sector which may result in a decrease in market share and an adverse impact on the results of its operations;
- the oversupply of yard capacity in the GCC and increased regional competition may affect the performance of the Arab Shipbuilding and Repair Yard (**ASRY**) although ASRY is exploring ways to strengthen its position in the fabrication and defence sectors while reducing costs; and
- negative publicity triggered by business or financial decisions made by Mumtalakat's portfolio companies or lawsuits involving Mumtalakat's portfolio companies could adversely affect the Group's reputation, business, results of operations, financial condition and prospects.

In summary, exposure of Mumtalakat's portfolio companies to these and other industry and business-specific risks could have a material adverse effect on such companies' business, results of operations, financial condition and prospects thereby decreasing their investment value, which, in turn, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Much of Mumtalakat's current investment portfolio is illiquid, which may adversely affect Mumtalakat's ability to divest its investments or generate required liquidity

Mumtalakat is a key vehicle for the achievement of Bahrain's long-term economic development strategy and almost all of the current investment portfolio and a significant portion of Mumtalakat's future investments may require a long-term commitment of capital to facilitate the implementation of this strategy. The long-term investment horizon and the illiquid nature of these investments may make it difficult to sell investments if the need arises or if Mumtalakat determines it would be in its best interests to sell. Holding such an illiquid investment portfolio with the expectation of capitalising on expected growth of these investments in the future could compromise the expected liquid recurring income necessary to sustain the Group's operations.

In addition, if Mumtalakat were required to liquidate all or a portion of an investment quickly, it may realise significantly less than the carrying value, which could have a material adverse effect on the Group's results of operations and financial condition and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

The Group has significant indebtedness and its financing arrangements impose restrictions on the Group

The Group has a significant amount of third-party financial obligations. As at 30 June 2018, the Group had BD1,740.0 million (U.S.\$4,627.7 million) in outstanding borrowings (compared to BD1,658.1 million (U.S.\$4,409.8 million) as at 31 December 2017) and the Group had incurred consolidated interest expenses of BD26.1 million (U.S.\$69.4 million) for the six month period ended 30 June 2018 (compared to BD14.0 million (U.S.\$37.2 million) for the six month period ended 30 June 2017). The increase in the consolidated interest expense is a result of increased debt related to Alba's Line 6 expansion project as well as debt related to McLaren being consolidated with the Group results from December 2017.

The various financing arrangements to which the Group is or may become a party contain a number of restrictive covenants that impose significant operating restrictions, including restrictions on the Group's ability to engage in activities that may be in the Group's best long-term interests. For example, the various financing arrangements to which Mumtalakat is a party contain covenants restricting or limiting its ability to, among other things:

- create liens;
- transfer, sell or otherwise dispose of assets;
- make substantial changes to the general nature of its business; and
- reduce its shareholding in Gulf Air to less than 50 per cent. or own a larger percentage of any other airline than it does of Gulf Air.

These financing arrangements also include financial covenants that require Mumtalakat to comply with, among other things, on a consolidated basis, a maximum ratio of total liabilities to tangible net worth. A breach of the terms of any borrowings, including financial covenants, could cause Mumtalakat's lenders to require Mumtalakat to repay the borrowings immediately, as well as cause lenders under other financing arrangements to which Mumtalakat is a party to accelerate such financing arrangements, in which case the amounts under those arrangements would become due as well. Additionally, Mumtalakat had guarantees outstanding in respect of certain Gulf Air-related financial obligations in an aggregate amount of BD35.0 million (U.S.\$93.1 million) as at 30 June 2018 while Mumtalakat's total guarantees outstanding in respect of its portfolio companies amounted to BD69.0 million (U.S.\$183.5 million) as at 30 June 2018. If Gulf Air or any other relevant portfolio company is unable to meet its financial obligations, Mumtalakat would potentially be required to assume the obligations that it has guaranteed. There can be no assurance that Mumtalakat's assets would be sufficient to repay such financial obligations in full at that time.

The occurrence of any of these events could have a material adverse effect on Mumtalakat's and the Group's business, results of operations, financial condition, liquidity position and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

The Group is exposed to liquidity risks and financing risks

The Group's liquidity could be impaired by significant operating losses, inability to monetise assets, maturity mismatch between assets and liabilities and a failure to obtain financing on a timely basis or at a reasonable cost as well as other factors.

The availability of financing is dependent on a number of factors, such as market conditions, the general availability of credit and the Group's credit profile. For example, any disruption in the global credit markets or re-pricing of credit risk may impact the Group's ability to fund its business in a similar manner, and at a similar cost, to the funding raised in the past. If the Group is unable to obtain financing in a timely fashion and on acceptable terms, it may be forced to delay or reduce capital expenditure, sell

certain assets on disadvantageous terms and/or forego business opportunities, including investments and joint ventures. In addition, the Group may not be able to refinance, extend or pay existing financial obligations. The occurrence of any of the foregoing events could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

In addition, some of Mumtalakat's portfolio companies may need liquidity support from Mumtalakat from time to time, and Mumtalakat may not have the financial resources available to fund the liquidity needs of its portfolio companies. For example, Gulf Air has received material liquidity assistance from Mumtalakat in the form of equity contributions and loans amounting to BD168.9 million (U.S.\$449.2 million) in 2008 and BD196.7 million (U.S.\$523.1 million) in 2009. In 2010, the Government provided Gulf Air with BD400.0 million (U.S.\$1,063.8 million) of financial support in the form of an equity injection. According to Gulf Air's financial statements, the Government provided an additional BD185.0 million (U.S.\$492.0 million) in 2012, BD95.0 million (U.S.\$252.7 million) in 2013, BD75.0 million (U.S.\$199.5 million) in 2014, BD65.0 million (U.S.\$172.9 million) in 2015, BD55.0 million (U.S.\$146.3 million) in 2016, BD30.0 million (U.S.\$79.8 million) in 2017 and BD30.0 million (U.S.\$79.8 million) in 2018 to Gulf Air as government grants (see further "*Description of Mumtalakat – Key Mumtalakat Assets – Description of select portfolio companies*" below). These grants were intended to support the airline in repaying its liabilities, financing interim working capital requirements and settling certain capital expenditure payments. If the Government does not in the future make funding available to Gulf Air, or if such funding proves insufficient or untimely to support Gulf Air's operations, there can be no assurance that Mumtalakat will have the liquidity necessary to financially support Gulf Air.

Furthermore, Bahrain Flour Mills, a public shareholding company whose principal activities are the production of wheat flour and related products, received Government support of BD8.2 million (U.S.\$21.8 million) in 2016, BD7.8 million (U.S.\$20.7 million) in 2017 and BD9.6 million (U.S.\$25.5 million) in 2018.

Mumtalakat funds the operating costs of its wholly owned subsidiary, Bahrain International Circuit which operates the country's Formula 1 race track with an annual amount of approximately BD13.0 million (U.S.\$34.6 million).

Mumtalakat maintains appropriate levels of liquidity through cash and committed revolving credit facilities in order to meet its cash flow needs. As at the date of this Base Prospectus, Mumtalakat has available committed facilities of U.S.\$200 million that are undrawn. Furthermore Mumtalakat maintains a portfolio of investments in managed funds with a value of BD114.1 million (U.S.\$303.5 million) as at 30 June 2018.

No assurance can be given that the Group will be able to raise the financings required, or that it will maintain sufficient liquidity, for its operations. In addition, failure to comply with financial covenants specified under certain of the Group's credit facilities could cause lenders to accelerate the repayment of the Group's borrowings. Any deficiency in liquidity could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

A significant portion of dividends and distributions Mumtalakat receives come from a small number of its portfolio companies

As a result of its holding company structure, Mumtalakat's ability to meet its operating and capital expenditure requirements and to service its debt, including payments of principal and profit under the Certificates, depends on the dividends and distributions it receives from its portfolio companies. Dividends from Alba, Batelco and NBB represented in the aggregate 76.3 per cent. of Mumtalakat's total dividends received in the six month period ended 30 June 2018 (see further "*Summary Financial Data – Dividend income (unconsolidated)*" below). The on-going ability of these portfolio companies to pay dividends or make other distributions or payments will be subject to, among other things, the availability of profits or funds (which in turn may depend on macro-economic conditions, business cycles, capital

expenditures and business operations), restrictions, if any, on payments of dividends set forth in covenants given in connection with financial indebtedness and applicable laws and regulations.

For example, some of Mumtalakat's portfolio companies, such as Alba and Batelco, have significant debt and will continue to use a large portion of their cash flow to pay principal and interest on their debt which will reduce the cash flow they can use for other purposes, including dividend payments to Mumtalakat. In addition, in June 2015, Alba's board of directors approved the Line 6 expansion project and, in November 2015, Alba secured the natural gas supply for the project. Alba's Line 6 expansion project saw the construction of Alba's sixth pot line which started production on 13 December 2018 and is expected to boost Alba's per annum production by 540,000 metric tonnes, bringing Alba's total production capacity to 1.5 million metric tonnes per year. The capital expenditure budget for constructing Line 6, replacing and expanding the power capacity of the existing power plant facilities, is approximately U.S.\$3 billion, which Alba financed without Government assistance (see "*Description of Mumtalakat – Key Portfolio Companies – Select subsidiary companies – Alba*" below). Alba secured the required financing for the Line 6 expansion project, successfully closing a U.S.\$1.5 billion syndicated term-loan facility and availing of export credit financing of approximately U.S.\$700 million and EUR 204.5 million. Alba secured the final part of the export credit financing tranche in the last quarter of 2018 and facility drawdowns are in accordance with set schedules. This may reduce the amounts available for Alba to pay dividends to its shareholders. The inability of Mumtalakat's portfolio companies to pay dividends or make distributions to Mumtalakat could have a material adverse effect on Mumtalakat's business, results of operations, financial condition, liquidity position and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Furthermore, the sale, transfer or disposition by Mumtalakat of its interest in a portfolio company that makes substantial dividends and distributions to Mumtalakat may also have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

High concentrations in Mumtalakat's investment portfolio may pose material risks

Although at incorporation 97 per cent. of Mumtalakat's investment portfolio was concentrated in Bahrain and the GCC region, Mumtalakat took steps to diversify and dilute these concentrations in recent years with new investments in other geographies. As at June 2018, approximately 65 per cent. of Mumtalakat's portfolio is concentrated in Bahrain and the GCC. Given the significance of its investments in Bahrain and the GCC, diluting such large concentrations will require deploying significant capital in new investments and a phased approach over an extended period of time. The investment portfolio also contains large exposures to certain key investments and the financial performance and robustness of these key investments can have a direct impact on Mumtalakat's business, results of operations, financial condition, liquidity position and portfolio value in case of any impairments and losses.

Such concentrations could thus present various risks, which, if unsuccessfully managed, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, and accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

The Group is exposed to interest rate risk

The Group is exposed to interest rate movements through its floating rate financing arrangements. As at 30 June 2018, the Group had BD944.2 million (U.S.\$2,511.2 million) in borrowings that bore interest at floating rates (compared to BD913.1 million (U.S.\$2,428.5 million) as at 31 December 2017). As a result, the Group is sensitive to changes in interest rates. Interest rates are sensitive to numerous factors not within the Group's control, including Government and central bank policy in Bahrain, the GCC and globally. The Group cannot give any assurance that any current or future hedging activities will sufficiently protect it from the adverse effects of interest rate movements. An increase in interest rates would cause the Group's debt service obligations to increase and could have a material adverse effect on

the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Foreign currency fluctuations may adversely affect the Group's operating results

Although a significant portion of its portfolio is derived from companies based in Bahrain, Mumtalakat has material exposure to GBP arising from its investment in McLaren. In addition, Mumtalakat may in the future become more exposed to the risk of currency fluctuations as it seeks to geographically diversify its portfolio over time. Exchange rate movements can therefore have a significant impact on the value of Mumtalakat's investments.

Mumtalakat's business may be adversely affected if the Bahraini Dinar-U.S. dollar peg were to be revalued or removed.

In addition, while Mumtalakat may enter into derivative contracts to hedge against its exposure to currency fluctuations, the Group cannot give any assurance that any current or future hedging activities will sufficiently protect it from the adverse effects of such fluctuations. In addition, if the counterparties to such exchange contracts do not fulfil their obligations, this may impact the Group's ability to settle its obligations including making payments pursuant to the Transaction Documents to which it is a party.

Significant judgment is involved in the preparation of the Group's consolidated financial statements for any period

The preparation of the Group's consolidated financial statements requires management to make certain judgments, including, for example, the estimation of impairment losses, in particular goodwill, equity-accounted investments and investments carried at fair value through statement of income that are not publicly traded.

The exercise of this judgment could have a material adverse effect on the Group's results of operations as presented in its consolidated financial statements and the results of operations could be materially different from those which would have been presented if different assumptions and/or estimates were used. In addition, there can be no assurance that any assumptions made by management will necessarily prove to have been accurate predictions of future events.

The value of Mumtalakat's investments could be significantly impaired due to changes in the financial markets

Mumtalakat's portfolio companies are susceptible to economic recessions or downturns and during periods of adverse economic conditions, the portfolio companies may experience decreased revenues, increased operating expenses, financial losses, difficulty in obtaining access to financing, increased funding costs and asset price deflation. During such periods, the portfolio companies may also have difficulty in expanding their businesses and operations and be unable to meet their obligations as they become due. Any of the foregoing could cause the value of Mumtalakat's investments in such portfolio companies to decline. In addition, changes in the financial markets, including changes in interest rates, exchange rates and returns from equity, property and other investments, may also materially and adversely affect the revenues, operating results, cash flows and financial condition of Mumtalakat's portfolio companies, which could in turn have a material adverse effect on their values. As part of its diversification strategy, Mumtalakat may choose to materially increase its investments in liquid asset classes. The value of such investments may be highly correlated to the performance of the financial markets, and therefore more directly affected by changes in the financial markets. As a result, the value of Mumtalakat's investments in liquid asset classes may be subject to market volatility and may result in material impairment to the overall value of Mumtalakat's investments, which, in turn, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Mumtalakat depends on the skill and judgment of the members of its Board Investment Committee and its Management Investment Committee for all major investment decisions

Mumtalakat's Board Investment Committee (**BIC**) recommends for approval investments or divestments as well as the investment budget to Mumtalakat's board of directors (the **Board**) while the Management Investment Committee (**MIC**) is responsible for monitoring the performance of the investment portfolio and evaluating proposed investments and divestments before submission to the BIC. In addition, the MIC may recommend for approval any investment or divestment that is consistent with the approved investment budget (see further "*Management and Corporate Governance*" below).

Mumtalakat's investment strategy is thus dependent to some extent on the skill, judgment and experience of the members of the BIC and the MIC. Failure by any of these committees to perform their obligations within the framework established by the Board could have a material adverse effect on Mumtalakat's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Mumtalakat is wholly-owned by the Government, which may exercise significant influence over Mumtalakat's operations

Mumtalakat is wholly-owned by the Government. The Government has the power to influence directly or indirectly Mumtalakat's commercial and operational affairs, including its investment and divestment decisions. Mumtalakat may be asked by the Government to work on important strategic projects for Bahrain, which are expected to contribute to the overall economy of Bahrain, but which may not be expected to deliver targeted investment returns for Mumtalakat. While such projects are likely to receive some financial support directly from the Government, there can be no assurance that this will in fact be the case. In addition, involvement in such projects could divert Mumtalakat's resources away from investment opportunities which may have provided better investment returns to Mumtalakat.

There can be no assurance that the Government will not exercise significant influence over the commercial affairs of Mumtalakat. The Government's interests may also conflict with those of Mumtalakat or the Certificateholders. Many of Mumtalakat's current portfolio consists of state-owned enterprises of strategic and national importance, and as such, key decisions with respect to these assets may be political in nature and sometimes require parliamentary approvals, such as for state funding in the case of Gulf Air. Thus, the outcome from any such decision-making processes may not always be strictly commercial or transparent or made on a timely basis, which in turn may have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

The Government may alter its economic development strategy or its relationship with Mumtalakat

The Government has set out a comprehensive Vision 2030 to outline a path for the development of Bahrain's economy, as described in "*Overview of Bahrain – Vision 2030*". A primary objective of Vision 2030 is to shift Bahrain's economy from an oil-driven economy to a diversified, competitive economy driven by the private sector across a variety of sectors and industries. Although Mumtalakat, as the holding company for the Government's non-oil and gas commercial assets, plays an important role in the implementation of various elements of Vision 2030, the Government could alter the scope of Vision 2030 or appoint one or more other entities to implement aspects of Vision 2030. In addition, there can be no assurance that Bahrain's efforts to diversify its economy and reduce its dependence on oil will be successful.

Any action by the Government which limits Mumtalakat's mandate, limits the amount of support Mumtalakat receives from, or assets granted by, the Government, and/or leads the Government to reclaim assets previously granted to Mumtalakat without the payment of any compensation for such reclaimed assets could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Payment of dividends to the Government

Although Mumtalakat has not paid any dividends to the Government prior to 2017, it paid dividends of BD20.0 million (U.S.\$53.2 million) in 2018 against the commitment of BD10.0 million (U.S.\$26.6 million) each for the years 2017 and 2018. The Board may recommend further dividends to the Government in the future. In addition, Mumtalakat may be expected to contribute to the Government's budget. Any dividend payment or budget contribution to the Government could be made out of, among other things, Mumtalakat's revenues, retained earnings or proceeds from sales of its investments and, as such, this could have a material adverse effect on the Group's business, results of operations, financial condition, liquidity position and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Mumtalakat's financial obligations, including its obligations under the Transaction Documents to which it is a party, are not guaranteed by the Government

Although Mumtalakat is wholly-owned by the Government, Mumtalakat's obligations under the Transaction Documents to which it is a party are not guaranteed by the Government. In addition, the Government is under no obligation to extend financial support to Mumtalakat. Accordingly, Mumtalakat's financial obligations, including its obligations under the Transaction Documents to which it is a party, are not and should not be regarded as, obligations of the Government. Mumtalakat's ability to meet its financial obligations under the Transaction Documents to which it is a party is solely dependent on its ability to fund such amounts from its operating revenues, profits and cash flows. Therefore, any decline in Mumtalakat's operating revenues, profits and cash flows, or any difficulty in securing external funding, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Mumtalakat is exposed to risks relating to the various strategic and operational initiatives that its portfolio companies may be pursuing and may not have the relevant information regarding the business operations of its publicly listed portfolio companies

Mumtalakat's portfolio companies may pursue strategic and operational initiatives that are deemed to further their business objectives. Some may choose to pursue acquisitions or divestments. Some may undertake significant operational reorganisations. The ability of these portfolio companies to successfully execute their strategic and operational initiatives could have a material impact on Mumtalakat. Failure to execute any of these initiatives or to achieve the intended results could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Mumtalakat and its material portfolio companies are highly dependent on retaining and attracting qualified and experienced management teams

Certain significant Group companies are dependent on the continued services and contributions of their executive officers and skilled technical teams and personnel. If the Group companies are unable to retain experienced, capable and reliable senior and middle management with appropriate professional qualifications, or fail to recruit skilled professionals in line with their needs, the Group's business and financial performance may suffer. If talented employees were to leave, the Group may have difficulty replacing them and may incur additional costs and expenses in securing such replacements. The loss of the services of valuable employees, or a failure to attract and retain qualified management in the future, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

The due diligence process that Mumtalakat undertakes in connection with new projects and investments may not reveal all relevant facts

Mumtalakat conducts due diligence, in many cases with the assistance of well-established, third party consultants, by evaluating a number of important business, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with a new project or make a new investment. Nevertheless, when conducting due diligence and making an assessment regarding a project or an investment, Mumtalakat can only rely on resources available to it at the time, 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 Mumtalakat could for information produced from its own internal sources.

Although Mumtalakat seeks to expend all reasonable efforts to ascertain and verify necessary information for the purposes of the relevant transactions, Mumtalakat can offer no assurance that any due diligence investigation it carries out with respect to any project or investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such opportunity. As such, in certain cases, Mumtalakat may be solely dependent on the information disclosed to it by the target company.

Any failure by Mumtalakat to identify relevant facts through the due diligence process or any failure by the target to disclose any relevant information may cause Mumtalakat to make inappropriate business decisions, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Mumtalakat may choose to pursue investment opportunities in countries in which it has no previous investment experience, including in markets that have greater social, economic and political risks

A significant number of Mumtalakat's current investments are businesses based in Bahrain. However, Mumtalakat may choose to pursue projects and investment opportunities elsewhere in the GCC and in other regions of the world, such as Asia, Africa, Europe and the Americas, as part of its diversification strategy. It may therefore undertake projects and make investments in countries in which it has little or no previous investment experience. As a result, Mumtalakat may not be able to assess all the risks of investing in such countries adequately and may be unfamiliar with the geopolitical landscape and laws and regulations of such countries applicable to its projects and investments. Mumtalakat cannot guarantee that its strategy will be successful in such markets. The Group could therefore potentially lose some or all of the investment value in projects and investments made as part of Mumtalakat's diversification strategy.

In addition, investments made by Mumtalakat in emerging markets generally involve a greater degree of risk than an investment in companies based in developed countries. Among other things, investments in emerging markets may be subject to less publicly available information, more volatile markets, less sophisticated securities markets regulations, less favourable tax provisions and a greater likelihood of severe inflation, unstable currency, corruption, lack of transparency, war and expropriation of personal property compared to investments in companies based in developed countries. In addition, investment opportunities in certain emerging markets may be restricted by legal limits on foreign ownership and provide less protection of shareholder rights, especially the rights of minority shareholders, that is customary in more developed markets.

Should any of the foregoing risks materialise, it could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Negative publicity may adversely affect the Group's operating results

Mumtalakat holds key assets for the Government as part of its investment portfolio. Therefore, due to the importance of these assets, various stakeholders within Bahrain, regionally, and internationally monitor news and publicity relating to these assets closely. Any negative news or publicity, whether factually

accurate or not, may have a potentially adverse impact on the reputation, name and standing of Mumtalakat and its key assets. Such negative news or publicity requires Mumtalakat, in some cases, to expend considerable time and resources to communicate corrective information. Such cases can come from matters brought up through parliament, any discussions, material or articles written in traditional media, or social media.

Such negative news or publicity could thus present various risks, which, if unsuccessfully managed, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, and accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Mumtalakat currently holds, and in the future may acquire, non-controlling interests in companies, which could expose Mumtalakat to additional risks

Mumtalakat currently holds, and may in the future make investments, in companies that it does not control. In addition, Mumtalakat may dispose of certain investments over time in a manner that results in Mumtalakat retaining only a minority interest in certain portfolio companies. Furthermore, Mumtalakat's investments in its portfolio companies may be diluted if Mumtalakat does not participate in their future equity offerings or other capital raisings.

Investments in which Mumtalakat holds a non-controlling interest will be subject to the risk that the portfolio company may make business, financial or management decisions which do not align with Mumtalakat's strategy, or that the majority stakeholders or the management of the portfolio company may take risks or otherwise act in a manner that is contrary to Mumtalakat's risk appetite. Contractual protections of minority rights that are customary in more developed markets may not be enforceable or as robust in jurisdictions in which Mumtalakat currently holds or may in the future hold assets. In addition, any of the companies in which Mumtalakat holds a non-controlling interest may experience financial or other difficulties that may adversely impact Mumtalakat's investment.

For example, although the Bahrain-based Gulf Aluminium Rolling Mill Company B.S.C.(c) (**Garmco**) is the first and one of the largest downstream aluminium facilities in the Middle East, Mumtalakat owns a minority 37.29 per cent. share in Garmco. As a result, despite the appointment of a new chairman in May 2018 to help manage Garmco's turnaround and the appointment of a restructuring consultant, other shareholders collectively retain a controlling interest and, consequently, may influence decision making to a greater extent. Nevertheless, in this instance, Mumtalakat exercises its influence as a significant minority shareholder in Garmco in connection with critical business decisions. For example, the voluntary petition for reorganisation of Garmco's debt filed under the jurisdiction of the Bahrain courts in January 2019 required the consent of all Garmco shareholders (including Mumtalakat).

However, Mumtalakat can give no assurance as to the performance of its portfolio companies, and an inability to exercise influence or control over such portfolio companies could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

The Group is subject to risks associated with Gulf Air's operating challenges, restructuring plans and the Government's decision on Gulf Air's strategy and funding going forward

The Government is an indirect shareholder of Gulf Air through its shareholdings in Mumtalakat. Mumtalakat owns 100 per cent. of Gulf Air Group Holding B.S.C.(c) (**Gulf Air Holding Company**), which, in turn, owns 100 per cent. of Gulf Air. Until 2011, Gulf Air relied on material financial support from Mumtalakat as its shareholder to cover its operating losses and various funding needs. Since January 2012, Mumtalakat and the Government have been working closely with Gulf Air and its strategic advisers to review and reformulate Gulf Air's strategy in light of changed circumstances by focusing on cost reduction and rationalisation of business operations. A business plan detailing the restructuring of Gulf Air's operations, along with a detailed assessment of the Government funding required to achieve the restructuring, was presented to the Government and to a parliamentary sub-committee, receiving final

approval pursuant to Royal Decree No. 54 of 2012. As a result, the Government transferred funds to Gulf Air to support its restructuring, amounting to BD535.0 million (U.S.\$1,422.9 million) as at 31 December 2018 (see further "*Description of Mumtalakat – Key Portfolio Companies – Select subsidiary companies – Gulf Air*" below).

There can be no assurance that the operational and strategic restructuring of Gulf Air will succeed and improve Gulf Air's financial performance or that there will be no need for additional direct material financial support or any other form of credit support to be extended by the Government or Mumtalakat to Gulf Air which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party.

Risks relating to Bahrain and the GCC

The Group's operational and financial performance may be adversely impacted by local and regional political developments and geopolitical tensions

The Group's operational and financial performance depends, amongst other things, upon Group companies based in Bahrain and the Group is therefore susceptible to disruptions and/or adverse conditions that may arise as a result of local and regional political developments.

On-going global geopolitical tensions, particularly those within the Middle East, can lead to factors that drive the global market price of oil higher and potentially lead to disruption of vital shipping channels in the Strait of Hormuz. If such conditions were to prevail over an extended period of time, the operational and financial performance of Group companies based in Bahrain would likely be adversely impacted. For example, Alba relies on shipments through the Strait of Hormuz for incoming raw materials required for its production of aluminium and then ships a portion of its finished product to customers outside of the GCC through the Strait of Hormuz. Disruption to this shipping channel could require Alba to seek out alternative shipping routes, which may be costlier and less efficient.

Further, Bahrain's economy is closely aligned and dependent on the economies of Saudi Arabia in particular as well as the other countries of the GCC. This includes trade relations, economic and monetary policy coordination, cooperation on security matters, infrastructure development, immigration policy and energy policies within the GCC. For instance, according to data in the Bahrain Prospectus, non-oil exports to GCC countries amounted to 52.9 per cent. of Bahrain's total non-oil exports in 2017 while Saudi Arabia accounted for 26.6 per cent. of Bahrain's total non-oil exports in 2017 (compared to 61.7 per cent. of total non-oil exports being attributable to GCC countries and 33.7 per cent. to Saudi Arabia in 2016). Similarly, 18.7 per cent. of Bahrain's total non-oil imports in 2017 were from other GCC countries while 6.8 per cent. were from Saudi Arabia (compared to 18.6 per cent. of total non-oil imports being attributable to GCC countries and 7.0 per cent. to Saudi Arabia in 2016). Accordingly, the economy of Bahrain may be adversely affected by any material changes in any such coordination amongst GCC countries. In addition, Bahrain's economy is dependent upon the social, political and economic conditions in Saudi Arabia and other GCC countries. Adverse developments in such conditions could have a material adverse effect on the economy and financial condition of Bahrain, which in turn may have a material adverse effect on the Group's Bahrain business, results of operations, financial condition and prospects and, accordingly, on Mumtalakat's ability to perform its obligations under the Transaction Documents to which it is a party (see also "*Risk Factors – Risks Relating to Bahrain and the GCC – Bahrain's economy is dependent on economic and other conditions of Saudi Arabia in particular, as well as the other GCC countries*" below).

Bahrain's economy remains significantly dependent on oil revenues and is vulnerable to external shocks, including the current low oil price environment

Although the Government has sought to promote the growth of the non-oil sector, Government revenues remain significantly dependent on oil revenues. According to the Bahrain Prospectus, actual revenue from oil and gas accounted for approximately 74.6 per cent. of public revenue for the year ended 31 December

2017, 75.7 per cent. for the year ended 31 December 2016, 78.1 per cent. for the year ended 31 December 2015 and 86.2 per cent. for the year ended 31 December 2014. Revenues from oil and gas increased by 13.6 per cent. to U.S.\$4.3 billion in 2017 from U.S.\$3.8 billion in 2016, as a result of increases in global oil prices. With Government budget break-even prices of U.S.\$124 per barrel in 2017 and U.S.\$119 per barrel in 2018 (based on the 2017-2018 budget), a continued low oil price environment is expected to continue to have a significant negative effect on Bahrain's public finances and continue the trend of current account deficits that began in 2015. The budget for 2015-2016 assumed an oil price of U.S.\$60, as compared to actual average prices of approximately U.S.\$52 per barrel in 2015 and U.S.\$44 in 2016 and the budget for 2017-2018 assumed an average oil price of U.S.\$55 per barrel. Because the Government budget break-even oil price is significantly higher than the assumed oil price, even if the assumed oil price is reached, a fiscal deficit is likely to persist.

As a result, Government revenues are susceptible to fluctuations in global oil prices. Moreover, Bahrain also has smaller oil reserves than a number of other GCC countries, and Bahrain shares a substantial portion of its reserves with Saudi Arabia. Bahrain's main source of oil is from the Abu Saafa oilfield, which is on the maritime border with Saudi Arabia. Under a treaty with Saudi Arabia, first signed in 1958, Bahrain is entitled to receive 50 per cent. of the output from the Abu Saafa field, although historically Bahrain has received significantly more than its 50 per cent. entitlement. However, no assurance can be given that Bahrain will continue to receive more than its 50 per cent. share of entitlement from the Abu Saafa oilfield, which further increases Bahrain's vulnerability to reductions in oil and gas revenues.

If Bahrain does not decrease public expenditure (or increase non-oil revenues), an environment of prolonged low oil prices may lead to a further widening in the fiscal deficit and adversely impact Bahrain's sovereign credit rating, as well as its borrowing costs and the economy in general. As Mumtalakat's credit rating mirrors that of the sovereign, this may in turn have an adverse effect on Mumtalakat's credit rating.

Bahrain's economy is dependent on economic and other conditions of Saudi Arabia in particular, as well as the other GCC countries

In addition to sharing oil production at the Abu Saafa oilfield with Saudi Arabia, Bahrain's economy is closely aligned and dependent on the economy of Saudi Arabia in particular, as well as the economies of the other GCC countries. Accordingly, Bahrain's economy may be adversely affected by any adverse change in the social, political or economic conditions in Saudi Arabia and the other GCC countries (see also "*Risk Factors – Risks Relating to Bahrain and the GCC – Bahrain is located in a region that has been subject to on-going geo-political and security concerns*" below). Although Bahrain has sought to diversify its geographical economic dependence, there can be no assurance that such geographical diversification will be successful which could have a material adverse effect on the economy and financial condition of Bahrain.

Furthermore, Bahrain benefits from a U.S.\$7.5 billion development fund established in 2011 with contributions made by the non-donor GCC member states (excluding Qatar) (the **GCC Development Fund**). The GCC Development Fund includes investments in key infrastructure projects across the manufacturing, energy, healthcare and education sectors. The GCC Development Fund was originally established with the aim of raising U.S.\$10 billion for Bahrain with preliminary commitments from four GCC member states. According to the Bahrain Prospectus, U.S.\$7.5 billion has been allocated to Bahrain to-date by three GCC member states. Of the U.S.\$7.5 billion, as at 30 June 2017, U.S.\$6.6 billion was allocated to projects, U.S.\$3.3 billion of contracts were awarded and U.S.\$1.2 billion was actually paid from the GCC Development Fund. The GCC Development Fund is intended to stimulate economic growth and is expected to be used in furtherance of development goals set out in Vision 2030, and, in particular, on important infrastructure projects. Under the terms of the GCC Development Fund, the Government has to coordinate with the Saudi Fund for Development (representing the Government of Saudi Arabia) (the **Saudi Fund**), the Kuwait Fund for Arab Economic Development (representing the Government of Kuwait) (the **Kuwait Fund**), and the Abu Dhabi Fund for Development (representing the Government of the UAE) (the **Abu Dhabi Fund**) to finalise the planned projects.

In addition, a U.S.\$10 billion financial support package (the **Financial Support Agreement**) pledging financial aid to the Government from the governments of Saudi Arabia, Kuwait and the United Arab Emirates was announced in June 2018 and signed in October 2018. The Financial Support Agreement is intended to assist the Government in reducing its fiscal deficit and stabilising the domestic economy while facilitating the Government's return to the international debt capital markets. The support pledged through the Financial Support Agreement is also intended to allow the Government to continue to meet its external financial obligations while implementing the Government's expenditure rationalisation initiatives and to dispel concerns around the potential for a de-pegging of the Bahraini Dinar from the U.S. dollar and any consequent currency de-valuation.

Any adverse change in the amount or rate at which funding under the GCC Development Fund or the Financial Support Agreement is deployed could have an adverse effect on Bahrain's growth prospects or further increase Bahrain's budget deficit if Bahrain is required to turn to other funding sources to meet its development and other requirements.

Historic political instability could present additional challenges

Although Bahrain has not experienced any significant political or security disruptions in recent years, the on-going international media emphasis on political tensions with opposing political and social groups continue to impact investor perceptions of Bahrain's political stability and foreign investment flows.

Although Bahrain's security situation has stabilised over the past few years, there can be no assurance that further protests or unrest will not occur in the future. While the Government has already begun to implement a broader strategy to diversify its revenue base and cut expenditures further, progress can be hampered by public opposition. The lack of a broad political consensus that encompasses the public may undermine the Government's ability to implement the full extent of its fiscal readjustment programme and may hinder its efforts to reverse the rise in public debt in the near term.

Political instability in Bahrain and in the region may have a material adverse effect on Bahrain's economy (see also "*Risk Factors – Risks Relating to Bahrain and the GCC – Bahrain is located in a region that has been subject to on-going geo-political and security concerns*" below).

Bahrain is located in a region that has been subject to on-going geo-political and security concerns

Bahrain is located in a region that is strategically important and parts of the region have, at times, experienced political instability. For example, the region is currently subject to a number of armed conflicts, including those in Yemen, Syria, Iraq and Palestine, as well as the multinational conflict with Islamic State of Iraq and the Levant (**ISIL**). Bahrain, along with other Arab states, is currently participating in the Saudi Arabia-led intervention in Yemen, which began in 2015 and is on-going. In addition, tensions have persisted between Bahrain and Iran regarding interference by Iran in Bahrain's domestic affairs, which resulted in the severance of diplomatic ties with Iran on 4 January 2016.

More generally, since 2011, the prospect of a nuclear Iran has been at the centre of the international geopolitical discourse. The comprehensive agreement between the UN Security Council's five permanent members and Germany that was reached on July 2015 (the **Joint Comprehensive Plan of Action**) to ensure that Iran's nuclear energy will be used exclusively for peaceful purposes paved the way for international economic sanctions relief (mainly U.S. and EU sanctions) in return for Iran agreeing to a reduction of its nuclear capabilities and to being subject to supervision by the International Atomic Energy Agency (the **IAEA**). After the IAEA confirmed that Iran met the relevant requirements of the Joint Comprehensive Plan of Action, certain economic sanctions were lifted on 16 January 2016 with a view to improving Iran's position in the international community. However, certain other sanctions remain in place and the United States imposed certain additional sanctions on Iran in July 2017 relating to Iran's ballistic missile programme, human rights matters, arms sales and Iran's Revolutionary Guard Corps. Moreover, on 8 May 2018, President Trump announced that the United States would withdraw from the Joint Comprehensive Plan of Action, reinstating U.S. nuclear sanctions on the Iranian regime.

Any continuation or increase in international or regional tensions regarding Iran could have a destabilising impact on the GCC region, including with respect to Bahrain.

These recent and on-going developments, along with terrorist acts, acts of maritime piracy and other forms of instability in the region (that may or may not directly involve Bahrain), may contribute to instability in the Middle East and surrounding regions and may have a material adverse effect on Bahrain's attractiveness for foreign investment and capital, its ability to engage in international trade and, consequently, its economy and financial condition.

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. of the aggregate face amount of the Certificates of the relevant Series then outstanding shall, for all purposes, take effect as an Extraordinary Resolution (as defined in the Master Declaration of Trust).

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 proposed resolution have been notified through the relevant clearing system(s), approval of a resolution proposed by the Trustee, the Obligor and the Delegate (as the case may be) 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. of the aggregate face amount of the Certificates of the relevant Series then outstanding; and
- (ii) where electronic consent is not being sought, consent or instructions given in writing directly to the Trustee, the Obligor and the Delegate by (a) accountholders in the clearing systems with entitlements to such global certificate and/or, (b) where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held (directly or via one or more intermediaries), provided that the Trustee, the Obligor and the Delegate have obtained commercially reasonable evidence to ascertain the validity of such holding and taken reasonable steps to ensure such holding does not alter following the giving of such consent/instruction and prior to effecting such resolution.

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 for all purposes take effect as an Extraordinary Resolution (as defined in the Master Declaration of Trust) passed at a meeting of Certificateholders duly convened and held.

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).

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 is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or (ii) (a) agree to any other modification, or 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 modification, waiver, authorisation or determination is in the opinion of the Delegate not materially prejudicial to the interests of the Certificateholders and not in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 20 per cent. of the aggregate face amount of the relevant Series then outstanding and, in the case of modifications referred to in paragraph (a) above, other than in respect of a matter which requires a special quorum resolution (as defined in the Master Declaration of Trust). Any such modification, authorisation, determination or waiver may be made on such terms and subject to such conditions (if any) as the Delegate may determine, shall be binding on the Certificateholders and, unless the Delegate agrees otherwise, such modification shall be notified by the Trustee to the Certificateholder as soon as practicable thereafter.

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 Series of Certificates 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 the 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 the 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

Each Series of Certificates issued under the Programme will be represented on issue by a Global Certificate that may be deposited with, and registered in the name of a nominee for, a common depository 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 each Series of 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 and 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.

The Certificates are limited recourse obligations

Recourse to the Trustee in respect of each Series of Certificates is limited to the Trust Assets of that Series and proceeds of such Trust Assets are the sole source of payments on the relevant Certificates. Upon occurrence of a Dissolution Event, the sole rights 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. Certificateholders will have no recourse to any assets of the Trustee (and/or its directors, officers 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 or affiliates in respect of any shortfall in the expected amounts due under the relevant Trust Assets to the extent the relevant Trust Assets have been exhausted. Certificateholders will also not 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 or affiliates as a consequence of such shortfall or otherwise. The Obligor is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee and the Delegate will have direct recourse against the Obligor to recover payments due to the Trustee from the Obligor pursuant to the Transaction Documents to which it is a party. There can be no assurance that the net proceeds of the realisation of, or enforcement with respect to, the Trust Assets will be sufficient to make all payments due in respect of the Certificates of the relevant Series. 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. Furthermore, under no circumstances shall any Certificateholder, the Trustee or the Delegate 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.

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. 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. Illiquidity may have a severe adverse effect on the market value of the Certificates.

Exchange rate risks and exchange controls

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.

Interest rate risks

As the Certificates are fixed rate Certificates, investment in them involves the risk that subsequent changes in market interest rates may adversely affect the value of the Certificates.

Credit ratings assigned to the Obligor or 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 the Obligor or an issue of the 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 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 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 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 and frontier emerging markets, such as Bahrain, 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 Wakala Assets

Ownership of the Wakala Assets

The Shariah analysis is as follows: an ownership interest in the Wakala Assets will pass to the Trustee under the (i) Master Purchase Agreement, as supplemented by the Supplemental Purchase Agreement (together, the **Purchase Agreement**), pursuant to which the Trustee will purchase the Real Estate Assets and the Trustee will lease the Lease Assets to the Obligor under the Master Lease Agreement, as supplemented by the Supplemental Lease Agreement; and (ii) if applicable, the Master Assignment Agreement, as supplemented by the Supplemental Assignment Agreement (together, the **Assignment Agreement**) pursuant to which the Securities Interests relating to the Securities will be assigned, transferred and conveyed to the Trustee. The Trustee will declare a trust in respect of the Lease Assets, if applicable, the Securities Interests and the other Trust Assets in favour of the Certificateholders pursuant to the Declaration of Trust. Accordingly, from a Shariah perspective, Certificateholders will, through the ownership interest obtained by the Trustee pursuant to the terms of the Purchase Agreement and, if applicable, the Assignment Agreement, have an ownership interest in the Wakala Assets.

However, no investigation or enquiry will be made and no due diligence will be conducted in respect of any Wakala Assets. The Wakala Assets will be selected by the Obligor and the Certificateholders, the Trustee, the Delegate and the Agents will have no ability to influence such selection. Only limited representations will be obtained from the Obligor in respect of the Wakala Assets. No steps will be taken to perfect the legal transfer of the ownership interest (including registration if required as a matter of law) in the Lease Assets with any relevant regulatory authority. Therefore, in relation to any Real Estate Assets, Lease Assets or if, applicable, Securities Interests which require perfection in order to legally transfer any ownership interest, Certificateholders shall not have any interest in any such Real Estate Asset, Lease Assets or, if applicable, Securities Interests.

Transfer of the Lease Assets

No investigation has been or will be made as to whether the Wakala Assets may be transferred as a matter of the law governing the contracts (if any), the law of the jurisdiction where such assets are located or any other relevant law. No investigation will be made to determine if the Purchase Agreement or, if applicable, the Assignment Agreement will have the effect of transferring the Wakala Assets.

Nevertheless, as indicated earlier, although, the Shariah analysis is such that an ownership interest in the Wakala Assets will pass to the Trustee under the Purchase Agreement and, if applicable, the Assignment Agreement, the Certificateholders will not have any rights of enforcement as against the Wakala Assets and their rights are limited to enforcement against the Obligor of its obligation to purchase the Wakala Assets pursuant to the terms of the Purchase Undertaking.

By way of further assurance, the Obligor has covenanted and undertaken in each of the Purchase Undertaking and the Declaration of Trust that if the relevant Exercise Price, Certificateholder Put Right Exercise Price or Change of Control Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, the Obligor shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the outstanding Certificates of such Series, the Certificateholder Put Right Certificates or the Change of Control Certificates, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price, Certificateholder Put Right Exercise Price or Change of Control Exercise Price.

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.

Risks relating to enforcement in Bahrain

Risks associated with enforcing arbitral awards and foreign judgments in Bahrain

The payments under the Certificates are dependent upon the Obligor making payments to the Trustee in the manner contemplated under the Transaction Documents. If the Obligor fails to do so, it may be necessary to bring an action against the Obligor to enforce its obligations and/or to claim damages, as appropriate, which may be costly and time consuming.

The Conditions are governed by English law. Under the Conditions, any dispute arising out of or in connection with the Certificates shall be referred to and, subject to the terms of the Certificates, may be finally resolved by arbitration. Bahrain has ratified the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 and the party seeking to enforce the arbitration award in Bahrain must supply:

- (a) the duly authenticated original or a duly certified copy of the award; and
- (b) the original or a duly certified copy of the arbitration agreement.

However, the enforcement of the arbitration award may be refused at the request of the party against whom it is invoked, if that party furnishes to the competent authority where the recognition and enforcement is sought proof that:

- (i) the party to the agreement was, under the law applicable to it, under some incapacity, or the said agreement is not valid under the law to which the parties have subjected to or failing any indication thereon under the laws of Bahrain;
- (ii) the party against whom the award is invoked was not given proper notice of the appointment of the arbitrator or of the arbitration proceedings or was otherwise unable to present his case;
- (iii) the award deals with a dispute not contemplated by or not falling within the terms of the submission to arbitration or it contains decisions on matters beyond the scope of the submission to arbitration, provided that if the decision on matters submitted to arbitration can be separated from those not so submitted, only that part of the award which contains decisions on matters not submitted to arbitration may be set aside;
- (iv) the composition of the arbitral authority or the arbitral procedure was not in accordance with the agreement of the parties, or failing such agreement, was not in accordance with the laws of the country where the arbitration took place; or
- (v) the award has not yet become binding on the parties, or has been set aside or suspended by a competent authority of the country in which, or under the laws of which, that award was made.

Recognition and enforcement of an arbitral award may also be refused if the competent authority in Bahrain finds that:

- (i) the subject matter of the dispute is not capable of settlement by arbitration under the laws of Bahrain; or
- (ii) the recognition or enforcement of the award would be contrary to the public policy of Bahrain.

In addition, no document will be admitted in evidence in the courts of Bahrain (the **Bahraini Courts**) unless they are submitted in Arabic or accompanied by a duly authenticated Arabic translation approved by the Official Translator of the Bahraini Courts, which will be the official text.

Each of the Trustee and the Delegate (on behalf of the relevant Certificateholders) may, in the alternative and at its sole discretion, opt to resolve a dispute with the courts, in which case the court of England and Wales have exclusive jurisdiction to settle disputes, except that the Trustee and the Delegate may take proceedings relating to a dispute arising out of or in connection with the Certificates in any other courts with jurisdiction.

The Obligor is a Bahraini company and it may be difficult for Certificateholders to enforce court judgments against it

Notwithstanding that a judgment may be obtained in an English court, there is no assurance that the Obligor has, or would at the relevant time have, assets in the United Kingdom against which such a judgment could be enforced since almost all of the Obligor's operations and assets are currently located in Bahrain.

Accordingly, there may be insufficient assets of the Obligor to satisfy in whole or part any judgment obtained from an English court relating to amounts owing under the Certificates.

As there has been no reciprocity between England and Bahrain, the Bahraini Courts are unlikely to enforce an English judgment without requesting that a fresh case is filed in the Bahraini Courts which may lead to the possibility that the Bahraini Courts may re-examine the merits of the claim although the Bahraini Courts may also accept the English court judgment as evidence of a debt. The choice by the

parties of English law as the governing law of the transaction will be recognised by the Bahraini Courts provided that the provisions thereof are (i) proved, as a matter of evidence, by the party relying on it; and (ii) not contrary to Bahraini public order and morality. Judicial precedents in Bahrain generally do not have binding effect on subsequent decisions except as a directive for decisions of the Constitutional Court (the **Constitutional Court**). Although decisions rendered by the Court of Cassation (the **Court of Cassation**) do not have binding effect on lower courts, the present practice is for the lower courts to adhere to the precedents and principles laid down by the Court of Cassation. There is no formal system of reporting court decisions in Bahrain except for those decisions of the Court of Cassation and the Constitutional Court.

In addition, there is limited reciprocity between Bahrain and other countries in relation to the recognition and enforcement of judgments. The Bahraini Courts may enforce a foreign court judgment without re-examining the merits of the claim, provided that:

- (i) such court enforces judgments and orders rendered in Bahrain;
- (ii) the Bahraini Courts did not have jurisdiction in the matter in respect of which the order or judgment has been made and it was made by a foreign court of competent jurisdiction under the jurisdiction rules or laws applied by such court;
- (iii) the parties had been served with due notice to attend and had been properly represented;
- (iv) the judgment was final in accordance with the law of the court making it; and
- (v) the judgment did not conflict with any previous decision of the Bahraini Courts and did not involve any conflict with public order or morality in Bahrain.

Generally, where provisions relating to interest payments are provided for in an agreement, the Bahraini Courts may give effect to such a provision so long as the agreement between the parties which provides for payment of interest is a commercial agreement relating to commercial activities.

The Certificateholders may not be able to obtain specific enforcement of the Obligor's obligations under the Transaction Documents, or obtain monetary damages sufficient to cover any losses incurred in connection with their investment in the Certificates.

In the event that the Obligor fails to perform its obligations under the Transaction Documents, the potential remedies available to the Certificateholders include obtaining an order for specific enforcement of the relevant obligations or a claim for damages. There is no assurance that any court would order specific performance of a contractual obligation.

The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors. 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 under the Transaction Documents.

Waiver of immunity

To the extent permitted by law, the Obligor has waived its rights in relation to sovereign immunity (including, without limitation, Article 251 of the Law of Civil and Commercial Procedure (Decree Law No. 12/1971 of the laws of Bahrain)). However, there can be no assurance as to whether such waiver of immunity from execution or attachment or other legal process by it under the Transaction Documents is valid and binding under the laws of Bahrain.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Central Bank of Ireland shall be incorporated in, and form part of, this Base Prospectus:

- (a) the independent auditors' review report and unaudited interim condensed consolidated financial statements of the Obligor as at and for the six-month period ended 30 June 2018 (available at: https://www.ise.ie/debt_documents/Mumtalakat%20FS%20June%202018_4a3ef513-1449-40d1-a75b-2e1a6263183c.PDF);
- (b) the independent auditors' report and audited consolidated financial statements of the Obligor as at and for the financial year ended 31 December 2017 (available at: http://www.ise.ie/debt_documents/Annual%20Financial%20Statement_b78ea762-d944-45f9-8c7a-140b672cd5cf.PDF); and
- (c) the independent auditors' report and audited consolidated financial statements of the Obligor as at and for the financial year ended 31 December 2016 (available at: https://www.rns-pdf.londonstockexchange.com/rns/4574F_-2017-5-17.pdf).

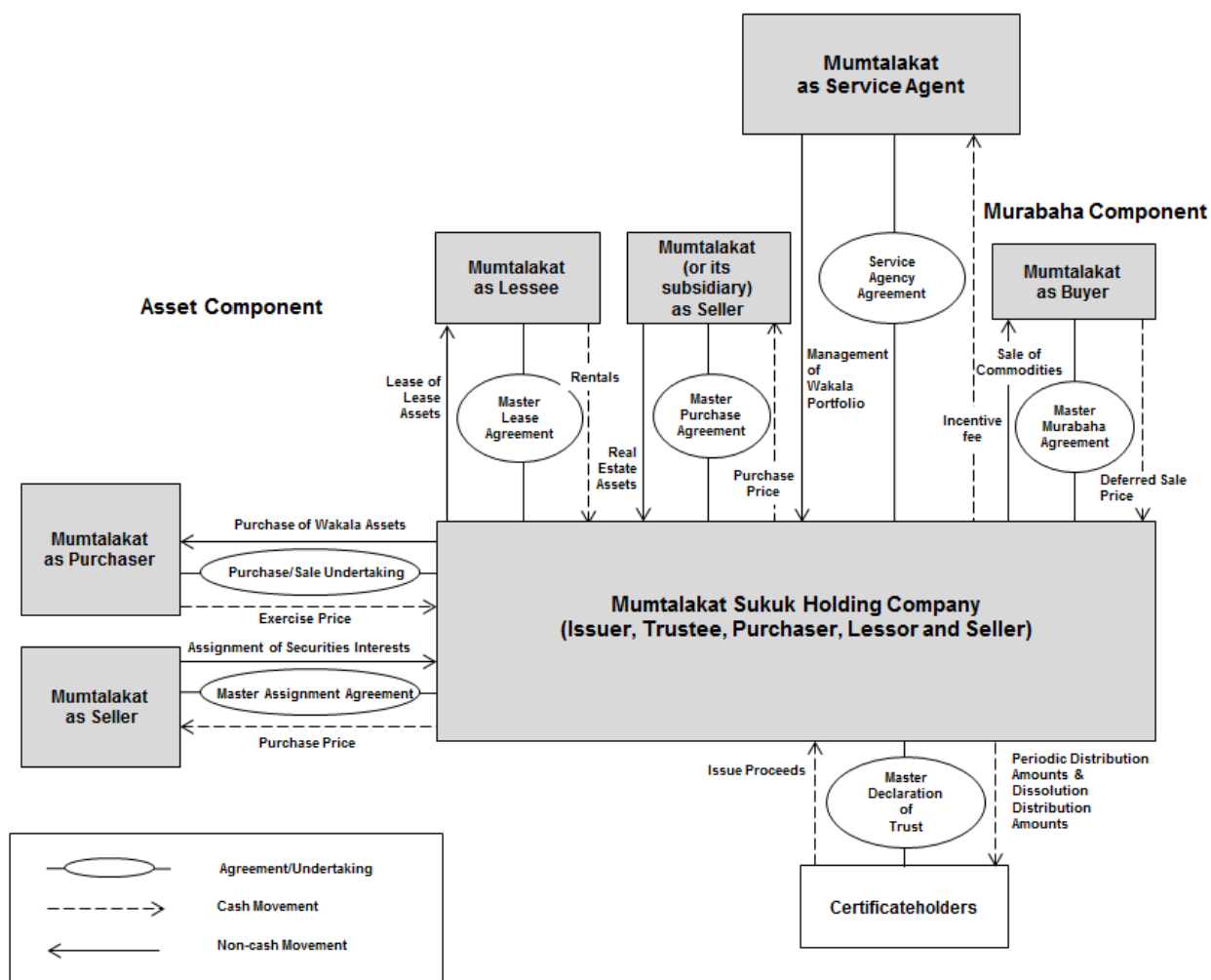
Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Trustee and from the specified office of the Principal Paying Agent.

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

The Trustee and the Obligor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Certificates, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Certificates.

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 of each Series, the Certificateholders will pay the issue price in respect of the Certificates to the Trustee and the Trustee will pay:

- the percentage specified in the applicable Final Terms, being no less than 51 per cent. of the aggregate face amount of the Certificates of the relevant Series, to Mumtalakat as the aggregate of the purchase price payable for the purchase of all of the rights, title, interests, benefits and entitlements in, to and under the following assets owned by the Obligor or its subsidiary: (i) certain real estate related assets located in Bahrain (the **Real Estate Assets**) under the Master Purchase Agreement, as supplemented by the relevant Supplemental Purchase Agreement to be leased to Mumtalakat under the Master Lease Agreement, as supplemented by the relevant Supplemental Lease Agreement; and (ii) if applicable, certain (x) shares and/or (y) sukuk certificates which represent a beneficial interest in, *inter alia*, underlying assets or an asset portfolio and the majority of such underlying assets or asset portfolio is comprised of tangible

assets (together, the **Securities**) (including, but not limited to, the right to receive any profits, dividends or other distributions or payments made in respect of such Securities, the benefit of any appreciation in the value of such Securities and the right to exercise all voting rights attached to such Securities) under the Master Assignment Agreement, as supplemented by the relevant Supplemental Assignment Agreement (the **Securities Interests**), provided that the value of the Real Estate Assets and any sukuk certificates comprised in the Wakala Portfolio (as defined below) as at the relevant Issue Date is no less than 26 per cent. of the aggregate face amount of the Certificates of the relevant Series; and

- (b) the percentage specified in the applicable Final Terms, being no more than 49 per cent., of the aggregate face amount of the Certificates of the relevant Series, in the purchase of commodities to be sold to Mumtalakat on a deferred payment basis for an amount specified in the relevant letter of offer and acceptance (the **Deferred Sale Price**) pursuant to the Master Murabaha Agreement (the **Commodity Murabaha Investment**),

and the Lease Assets, the Securities Interests relating to any Securities and, if applicable, the Commodity Murabaha Investment and all other rights arising under or with respect thereto (including the right to receive payment of Rentals, Deferred Sale Price and any other amounts or distributions due in connection with the relevant Lease Assets, Securities and Commodity Murabaha Investment) shall comprise the **Wakala Portfolio** in respect of such Series, and the Lease Assets and the Securities Interests relating to any Securities comprised in such Wakala Portfolio, the **Wakala Assets**.

Periodic Distribution Payments

In relation to a Series, all revenues from the Wakala Portfolio (including all rentals, profits, dividends and other amounts payable in respect of the Wakala Assets and, if applicable, all instalment profit amounts comprising the Deferred Sale Price to be paid in respect of the Commodity Murabaha Investment) (the **Wakala Portfolio Revenues**) will be recorded by the Service Agent in the Collection Account. On each Wakala Distribution Determination 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 provide Shariah-compliant funding to the Trustee in an amount equal to the shortfall remaining (if any) on terms that such funding is repayable (i) from 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 aggregate amounts of Deferred Sale Price then outstanding, if any, 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 rights, title, interests, benefits and entitlements in, to and under the Wakala Assets at the relevant Exercise Price,

and such amounts are intended to fund the Dissolution Distribution Amount payable by the Trustee under the Certificates of the relevant Series 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 whole or in part prior to the relevant Scheduled Dissolution Date for the following reasons: (i) following a Dissolution Event; (ii) for tax reasons; (iii) if so specified in the applicable Final Terms, at the option of the Obligor; (iv) if so specified in the applicable Final Terms, at the option of the Certificateholders; (v) if so specified in the applicable Final Terms, following the occurrence of a Change of Control Event; (vi) if so specified in the applicable Final Terms 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 Condition 8(j), at the option of the Obligor; or (vii) unless the Lease Assets are replaced by the Obligor in accordance with the Service Agency Agreement, following a Total Loss Event.

In respect of an early redemption for tax reasons, at the option of the Obligor or for clean-up reasons pursuant to items (ii), (iii) or (vi) above, respectively, 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 aggregate amounts of Deferred Sale Price then outstanding, if any, shall become due and payable; and
- (b) the Obligor will have the right under the Sale Undertaking to require the Trustee to sell all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets to the Obligor at the relevant Exercise Price,

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

In respect of an early redemption following a Dissolution Event pursuant to paragraph (i) above on the Dissolution Event Redemption Date or an early redemption, at the option of the Certificateholders or following the occurrence of a Change of Control Event pursuant to paragraph (iv) or (v) above, respectively, on the Business Day prior to the relevant Certificateholder Put Right Date or Change of Control Put Date, as the case may be:

- (a) the aggregate amounts of Deferred Sale Price (or the applicable portion thereof, as the case may be) 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 (or the applicable portion, as the case may be) of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets at 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 of the relevant Series on the relevant Dissolution Date.

In respect of an early redemption following the occurrence of a Total Loss Event pursuant to item (vii) above, on the Total Loss Dissolution Date:

- (a) the Trustee will have the right under the Service Agency Agreement to receive all insurance proceeds relating to the Lease Assets; and
- (b) the aggregate amounts of Deferred Sale Price then outstanding, if any, shall become due and payable,

and such amounts are intended to fund the Dissolution Distribution Amount payable by the Trustee under the Certificates of the relevant Series on the Total Loss 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.

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: Bahrain Mumtalakat Holding Company B.S.C. (c) incorporated in Bahrain under Commercial Registration Number 61579.

Trustee: Mumtalakat Sukuk Holding Company, as issuer of the Certificates and as trustee for and on behalf of the Certificateholders, an exempted company with limited liability incorporated on 16 September 2014 in accordance with the Companies Law of the Cayman Islands and formed and registered in the Cayman Islands with company registration number 291803 with its registered office at c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, 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.

Trustee Legal Entity Identifier (LEI): 549300EN7U0YPUUKDX15

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 one share is fully paid up and issued. The Trustee's entire issued share capital is held by Bahrain Mumtalakat Holding Company B.S.C. (c).

Arrangers: HSBC Bank plc and National Bank of Bahrain B.S.C.

Dealers: BNP Paribas, Citigroup Global Markets Limited, HSBC Bank plc, National Bank of Bahrain B.S.C. and Standard Chartered Bank.

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, <i>inter alia</i> , unconditionally and irrevocably appoint the Delegate to be its attorney and to exercise certain present and future rights, 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 and Calculation Agent:	Citibank N.A., London Branch.
Registrar:	Citigroup Global Markets Europe AG.
Transfer Agent:	Citibank Europe PLC.
Programme Size:	The Programme has no maximum size.
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, the Certificates may be issued in any currency (each a Specified Currency) agreed between the Trustee, the Obligor and the relevant Dealer.
Maturities:	The Certificates will have such maturities as may be agreed between the Trustee, the Obligor and the relevant Dealer, 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:	The Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms. The price and amount of the 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 beneficial 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 to which it is a party in respect of each Series of Certificates will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 6(b)) 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)) 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 Trustee's rights, title, interest, benefits and entitlements, present and future, in, to and under the Wakala Portfolio; (iii) the Trustee's rights, title, interest, benefits and entitlements, present and future, in, to and under 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); (iv) all moneys standing to the credit of the relevant Transaction Account from time to time; and (v) all proceeds of the foregoing listed (i) to (iv) (each of (i) to (v), 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 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.

Negative Pledge:	The Certificates will have the benefit of a negative pledge granted by the Obligor in respect of itself, 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 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:	<p>In relation to each Certificate of a Series:</p> <ul style="list-style-type: none"> (i) the sum of: <ul style="list-style-type: none"> (a) the outstanding face amount of such Certificate; and (b) any accrued but unpaid Periodic Distribution Amounts for such Certificate; or (ii) (in the case of an exercise of the Obligor 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:	<p>The Trust may only be dissolved (in whole or in part) prior to the Scheduled Dissolution Date upon the:</p> <ul style="list-style-type: none"> (i) the occurrence of a Tax Event; (ii) exercise of an Optional Dissolution Right (if applicable to the relevant Series); (iii) exercise of a Certificateholder Put Right (if applicable to the relevant Series); (iv) exercise of a Change of Control Put Right (if applicable to the relevant Series); (v) exercise of an Obligor Clean Up Call Right (if applicable to the relevant Series); (vi) occurrence of a Dissolution Event; or (vii) if the Lease Assets have not been replaced in accordance with the Service Agency Agreement, occurrence of a Total Loss Event.

In each case (other than in the case of a Total Loss Event), the Certificates of a Series will be redeemed pursuant to the exercise of the Purchase Undertaking or the Sale 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 receive from the Trustee rights, title, interests, benefits and entitlements in, to and under, all the Wakala Assets comprised in the Wakala Portfolio, the Change of Control Wakala Assets or the Certificateholder Put Right Wakala 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 together with all (or the applicable portion, as the case may be) of the aggregate amounts of the Deferred Sale Price then outstanding 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, in each case, as a result of a change in, or amendment to, the laws or regulations of a 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 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, on any Periodic Distribution Date at the relevant Dissolution Distribution Amount, as more particularly described in Condition 8(b).

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 the Certificates, in whole, but not in part, at the relevant Dissolution Distribution Amount on any Optional Dissolution Date 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) 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:

If so specified in the applicable Final Terms and 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 the government of Bahrain (the **Government**) or any department, agency or authority wholly-owned by the Government: (a) sells, transfers or otherwise disposes of any of the issued share capital of the Obligor, other than to an entity, directly or indirectly, wholly-owned by the Government; or (b) otherwise ceases to control (directly or indirectly) the Obligor.

Obligor Clean Up Call Right:

If so specified in the applicable Final Terms and 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:

Following the occurrence of a Total Loss Event, save where the Lease Assets are replaced in accordance with the Service Agency Agreement, the Trustee will redeem all of the Certificates of the relevant Series at the relevant Dissolution Distribution Amount in accordance with Condition 8(h).

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 beneficial 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, the Certificateholders will have no recourse to any assets of the Trustee (and/or its directors, officers 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 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 and Delivery 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 depositary (the **Common Depositary**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**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 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 Relevant Jurisdiction. In such event, the Trustee has agreed to pay such additional amounts as shall result in receipt by the Certificateholders of such net 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 fails to comply with any obligation to pay additional amounts pursuant to Condition 10, the Obligor has undertaken in the Master Declaration of Trust to unconditionally and irrevocably (irrespective of the payment of any fee), as a continuing obligation, pay to or to the order of the Delegate (for the benefit of the Certificateholders) an amount equal to the liability of the Trustee in respect of any and all additional amounts required to be paid by it in respect of the Certificates pursuant to 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 withholding or deduction 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 withholding or deduction is required by law, the Obligor has undertaken to pay such additional amounts as shall result in receipt by the Trustee of such net amounts as would have been receivable by it under the relevant Transaction Document had no such withholding or deduction been made.

Listing and Admission to Trading:

Application has been made to Euronext Dublin for each Series of the Certificates issued under the Programme to be admitted to the Official List and to trading on the regulated Market of Euronext Dublin 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 or 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, the Obligor and the relevant Dealer(s).

Listing Agent:

Arthur Cox Listing Services Limited.

Certificateholder Meetings: A summary of the provisions for convening meetings of the 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, any Supplemental Purchase Agreement, the Master Lease Agreement, any Supplemental Lease Agreement, and the transfer agreements to be executed upon exercise of the Purchase Undertaking, the Sale Undertaking or the Substitution Undertaking, which will be governed by and construed in accordance with Bahraini law.

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

Rating: The Programme is expected to be rated B+ (stable outlook) by Standard & Poor's and BB- (stable outlook) by Fitch.

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 European Economic Area (including the United Kingdom), the United Kingdom, Bahrain, the UAE (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, Saudi Arabia, Qatar, Kuwait, Japan, Hong Kong, Malaysia, Singapore and the Cayman Islands. See "*Subscription and Sale*".

United States Selling Restrictions:

Regulation S, Category 2. TEFRA not applicable.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following is the text of the terms and conditions that, subject to completion 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 (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.

Mumtalakat Sukuk Holding Company (in its capacity as issuer and in its capacity as trustee, the **Trustee**) has established a programme (the **Programme**) for the issuance of trust certificates (the **Certificates**).

The Certificates are constituted by an amended and restated master declaration of trust dated 11 February 2019 between the Trustee, Bahrain Mumtalakat Holding Company B.S.C. (c) (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) (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 amended and restated agency agreement (the **Agency Agreement**) dated 11 February 2019 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, Citibank Europe PLC as initial transfer agent, Citigroup Global Markets Europe AG as initial registrar and the other agents named in it. The principal paying agent, the other paying agents, the registrar, the transfer agent 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** 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/or collection by the Certificateholders during usual business hours at the principal office of the Trustee and at the specified offices 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 to enter into, and perform its obligations under and in connection with, each Transaction Document to which it is a party, subject to the terms and conditions of the Declaration of Trust and these Conditions and to apply the proceeds of the issue of the Series in accordance with the terms of the Transaction Documents.

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:

Assignment Agreement means in respect of a Series, the Master Assignment Agreement as supplemented by the Supplemental Assignment Agreement for such Series;

Broken Amount means the amount specified as such hereon;

Business Day has the meaning given to it in Condition 7(e);

Calculation Amount means the amount specified as such hereon;

Cancellation Notice means a cancellation notice given pursuant to the terms of the Sale Undertaking;

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 specified in 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 be a Periodic Distribution Date;

Certificateholder Put Right Exercise Price has the meaning given to it in the Purchase Undertaking;

Change of Control Event shall occur if at any time the government of the Kingdom of Bahrain (the **Government**) or any department, agency or authority wholly-owned by the Government:

- (a) sells, transfers or otherwise disposes of any of the issued share capital of the Obligor, other than to an entity, directly or indirectly, wholly-owned by the Government; or
- (b) otherwise ceases to control (directly or indirectly) the Obligor;

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

Change of Control Exercise Price has the meaning given to it in the Purchase Undertaking;

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 specified in Condition 8(e);

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

Day Count Fraction has the meaning given to it in Condition 7(e);

Deferred Sale Price has the meaning given to it in the Master Murabaha Agreement;

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

Dispute has the meaning given to it in Condition 19(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 Clean Up Call Right Dissolution Date;
- (g) any Dissolution Event Redemption Date;
- (h) any Total Loss Dissolution Date; or
- (i) such other date as specified hereon for the redemption of the Certificates and dissolution of the Trust in whole or in part prior to the Scheduled Dissolution Date;

Dissolution Distribution Amount means:

- (a) the sum of:
 - (i) the outstanding face amount of such Certificate; and
 - (ii) any accrued but 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);

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 or the Sale Undertaking, as the context requires;

Exercise Price has the meaning given to it in the Purchase Undertaking or the Sale Undertaking as the context requires;

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

Financial Indebtedness means, in relation to the Obligor, 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);

Fixed Amount means the amount specified as such hereon;

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

Lease Agreement means in respect of a Series, the Master Lease Agreement, as supplemented by the Supplemental Lease Agreement for such Series;

Lessee means Bahrain Mumtalakat Holding Company B.S.C. (c) acting in its capacity as the lessee under the Master Lease Agreement;

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) 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;

Master Assignment Agreement means the amended and restated master assignment agreement dated 11 February 2019 between the Trustee and the Obligor;

Master Lease Agreement means the master lease agreement dated 11 February 2019 between the Trustee, the Obligor and the Delegate;

Master Murabaha Agreement means the amended and restated master murabaha agreement dated 11 February 2019 between the Trustee and the Obligor;

Master Purchase Agreement means the master purchase agreement dated 11 February 2019 between the Trustee and the Obligor;

Murabaha Instalment Profit Amount has the meaning given to it in the Master Murabaha Agreement;

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

Murabaha Profit Amount has the meaning given to it in the Master Murabaha Agreement;

Obligor Clean Up Call Right means the right specified in Condition 8(f);

Obligor Event means any of the following events:

- (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: (i) (acting in any capacity) fails to perform 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 45 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 a failure by the Obligor (acting in its capacity as service agent) to comply with its obligations set out in clauses 4.2, 4.3 and 4.5 of the Service Agency Agreement will not constitute an Obligor Event; or (ii) (acting in its capacity as Lessee) rejects a notice delivered in accordance with clause 3.2 of the Supplemental Lease Agreement entered into in respect of the relevant Series; or
- (c) **Cross-Default:** (i) the holders of any Financial Indebtedness or Sukuk Obligation of the Obligor accelerate such Financial Indebtedness or Sukuk Obligation or declare such Financial Indebtedness or Sukuk Obligation to be due and payable or required to be prepaid (other than pursuant to an option granted to the holders by the terms of such Financial Indebtedness or Sukuk Obligation), prior to the stated maturity thereof; or (ii) the Obligor fails to make any payment in respect of any of its Financial Indebtedness or Sukuk Obligation 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 the Financial Indebtedness or Sukuk Obligation of the Obligor due and unpaid, either alone or when aggregated (without duplication) with other amounts of Financial Indebtedness or Sukuk Obligation of the Obligor due and unpaid in respect of all (if any) other events specified in (ii) above, amounts to at least U.S.\$30,000,000 (or its equivalent in any other currency); or
- (d) **Insolvency:** the Obligor is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purposes of reorganisation on terms approved by Extraordinary Resolution, or the Obligor stops or threatens to stop payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent, or the Obligor (or its directors or shareholders) initiates or consents to judicial proceedings relating to the Obligor 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); or
- (e) **Winding-up:** any order is made by any competent court or a shareholders' resolution is passed for the winding up or dissolution of the Obligor; or
- (f) **Enforcement Proceedings:** (i) proceedings are initiated against the Obligor 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, in relation to the Obligor or, as the case may be, in relation to all or substantially all of the undertaking or assets of the Obligor or an encumbrancer takes possession of all or substantially all of the undertaking or assets of the Obligor, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against all or substantially all of the undertaking or assets of the Obligor, and (ii) in any such case (other than the appointment of an administrator) unless initiated by the Obligor, is not discharged within 60 calendar days.

- (g) **Analogous Events:** any event occurs which, under the laws of the Kingdom of Bahrain 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 (f); or
- (h) **Invalidity, Repudiation or Illegality:** (i) the Obligor denies any of its obligations under any Transaction Document to which the Obligor is a party; or (ii) 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 (iii) any of the obligations of the Obligor (acting in any capacity) under or in respect of the Transaction Documents are or become unenforceable or invalid; or
- (i) **Authorisations and Consents:** if any regulation, decree, consent, approval, licence or other authority necessary to enable the Obligor to perform its obligations under the Transaction Documents or for the validity or enforceability thereof expires or is withheld, revoked or terminated or otherwise ceases to remain in full force and effect or is modified in a manner which adversely affects any rights or claims of any of the Certificateholders;

Optional Dissolution Date means, in relation to any exercise of the Optional Dissolution Right, the date(s) specified as such hereon and which must be a Periodic Distribution Date;

Optional Dissolution Right means the right specified in 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 immediately following Periodic Distribution Date unless otherwise specified hereon;

Permitted Security Interest means:

- (a) any Security Interest securing Relevant Indebtedness of a Person existing at the time that such Person is merged into, or consolidated with, or acquired by the Obligor, provided that such Security Interest was not created in contemplation of such merger, consolidation or acquisition and does not extend to any other assets of the Obligor;
- (b) any Security Interest existing on any assets (including shares) 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, 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 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 this Certificate and that is either specified hereon or calculated in accordance with the provisions hereof;

Purchase Undertaking means the amended and restated purchase undertaking dated 11 February 2019 executed by the Obligor in favour of the Trustee and the Delegate;

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

Register has the meaning given to it in Condition 2;

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

Relevant Indebtedness means (i) any present or future indebtedness (whether being principal, profit or other amounts) for or in respect of, or in the form of, or represented or evidenced by, any bonds, notes, debentures, loan stock or other securities (but excluding, for the avoidance of doubt, any indebtedness under any bilateral, "club deal" or syndicated credit facility, commercial bank or similar indebtedness, capital lease obligations, repurchase agreements (repo) with respect to any financial asset or any other indebtedness not in the form of notes, bonds, debentures or other securities) 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 and (ii) any guarantee or indemnity of such indebtedness;

Relevant Jurisdiction means:

- (a) the Cayman Islands or the Kingdom of Bahrain or, in each case, any political subdivision or any authority thereof or therein having power to tax; or
- (b) any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which payments under the Transaction Documents are or become generally subject to tax;

Relevant Sukuk Obligation means (i) any present or future undertaking or other obligation to pay any money given in connection with the 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 and (ii) any guarantee or indemnity of any such obligation;

Rental has the meaning given to it in the Master Lease Agreement;

Required Amount has the meaning given to it in the Service Agency Agreement;

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 immediately following Profit Period Date, unless otherwise specified hereon;

Sale Undertaking means the amended and restated sale undertaking dated 11 February 2019 executed by the Trustee in favour of the Obligor;

Scheduled Dissolution Date means the date specified as such hereon;

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

Service Agency Agreement means the amended and restated service agency agreement dated 11 February 2019 between the Trustee and the Obligor;

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;

Subsidiary means, in relation to the Obligor, any company (i) in which the Obligor holds a majority of the voting rights, (ii) of which the Obligor has the right to appoint or remove a majority of the board of directors, (iii) of which the Obligor controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Obligor or (iv) that is accounted for in the Obligor's consolidated financial statements according to the full consolidation method of accounting;

Substitution Undertaking means the amended and restated substitution undertaking dated 11 February 2019 executed by the Trustee in favour of the Obligor;

Sukuk Obligation means any undertaking or other obligation, and any guarantee or indemnity in respect of any undertaking or other obligation, to pay any money given in connection with the issue of certificates whether or not in return for consideration of any kind;

Supplemental Assignment Agreement has the meaning given to it in the Master Assignment Agreement;

Supplemental Purchase Agreement has the meaning given to it in the Master Purchase Agreement;

Supplemental Lease Agreement has the meaning given to it in the Master Lease Agreement;

Tangible Asset Percentage means the percentage specified hereon which shall be no less than 51 per cent.;

TARGET Business Day has the meaning given to it in Condition 7(e);

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 Dissolution Date has the meaning given to it in Condition 8(h);

Total Loss Event has the meaning given to it in the Master Lease Agreement;

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

Transaction Account means, in relation to each Series, the account maintained in London in the Trustee's name held with the Principal Paying Agent, details of which are specified 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 Lease Agreement, as supplemented by the relevant Supplemental Lease Agreement;
- (f) the Master Assignment Agreement, as supplemented by the relevant Supplemental Assignment Agreement;
- (g) 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);
- (h) the Service Agency Agreement;
- (i) the Purchase Undertaking (together with each relevant transfer agreement executed upon exercise of the Purchase Undertaking);
- (j) the Sale Undertaking (together with each relevant transfer agreement executed upon exercise of the Sale Undertaking);
- (k) the Substitution Undertaking (together with each relevant transfer agreement executed upon exercise of the Substitution Undertaking); and
- (l) 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) which has become publicly available at least two Business Days (as defined in Condition 7(e)) (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 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 or comply with any one or more of its other duties, obligations or undertakings in respect of the Certificates or 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 45 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) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Trustee becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person); or
- (e) **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
- (f) **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
- (g) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence,

order, recording or registration) at any time required to be taken, fulfilled or done in order: (x) to enable the Trustee lawfully to enter into, exercise its rights and perform and comply with its duties, obligations and undertakings under the Certificates and the Transaction Documents; (y) to ensure that those duties, obligations and undertakings are legally binding and enforceable; or (z) to make the Certificates and the Transaction Documents to which it is a party admissible in evidence in the courts of the Cayman Islands is not taken, fulfilled or done; or

- (h) **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
- (i) **Repudiation:** the Trustee repudiates any Transaction Document or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document; or
- (j) **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 (e) and (f) above.

For the purpose of paragraph (a) above, all amounts payable in respect of the Certificates shall be considered due and payable (including any amounts calculated as being 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 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 **\$** are to the lawful currency of the United States of America.

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) specified hereon.

The 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 an 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 depositary for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**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 this Condition 3(a), 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 three 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, Change of Control Exercise Notice

or 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, but upon payment of any 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 beneficial 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 of the relevant Series.

The payment obligations of the Obligor (in any capacity) to the Trustee under the Transaction Documents to which it is a party in respect of each Series of Certificates are direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 6(b)) 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)) 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. The 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 Trust Assets have been exhausted, following which all obligations of the Trustee and the Delegate 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, to and under 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, the Certificateholders will have no recourse to any assets of the Trustee (and/or its directors, officers 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 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 or affiliates as a consequence of such shortfall or otherwise;
- (v) (A) it shall have no recourse to the Kingdom of Bahrain under any circumstances; and (B) 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 Declaration of Trust and/or these Conditions by virtue of any customary law, statute or otherwise shall be had against any officer, employee, agent, director or corporate service provider of the Trustee or the Delegate in its 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 officers, employees, agents, directors or corporate service providers of the Trustee, the Delegate and/or the Obligor (in their capacity as such), save in the case of their gross negligence, wilful default or fraud. Reference in these Conditions to gross negligence, wilful default or 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)).

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)) 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 rights, title, interest, benefits and entitlements, present and future of the Trustee in, to and under the Wakala Portfolio;
 - (iii) the rights, title, interest, benefits and entitlements, present and future of the Trustee in, to and under 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.
- (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 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*: (A) the Trustee in respect of all amounts owing to it under the Transaction Documents in its capacity as trustee; and (B) each Agent in respect of all amounts owing to such Agent on account of its fees, costs, charges and expenses and the payment or satisfaction of any Liability incurred by such Agent pursuant to the Agency Agreement or the other Transaction Documents in its capacity as Agent;
 - (iii) **third**, only if such payment is due on a Periodic Distribution Date, in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid;
 - (iv) **fourth**, only if such payment is due on a Dissolution Date, 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 the Certificates are redeemed in full) and provided that all amounts required to be paid in respect of the Certificates 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 maintained in London

and operated by the Principal Paying Agent on behalf of the Trustee for the benefit of Certificateholders.

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) or its constitutional documents;
 - (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 Negative Pledge:** The Obligor undertakes that, for so long as any Certificate remains outstanding, it will not create or have outstanding 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, as the case may be, unless the Obligor, in the case of the creation of a Security Interest before or at the same time, and in any other case promptly, takes and/or procures any and all action necessary to ensure that:
- (i) all amounts payable by it (in whatever capacity) under the Transaction Documents are secured by the Security Interest equally and rateably with the Relevant Indebtedness or Relevant Sukuk Obligation, as the case may be; or
 - (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as (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 (as defined in the Declaration of Trust) of the Certificateholders.

Any Security Interest created in favour of the Trustee and the Delegate for the benefit of the Certificateholders pursuant to this Condition 6(b) shall provide by its terms that such Security Interest shall be automatically and unconditionally released and discharged upon (i) the release and discharge of the other Security Interest or (ii) the full, final and irrevocable payment of all amounts payable by the Obligor under the Transaction Documents.

For the purposes of this Condition 6(b):

asset or **assets** of the Obligor shall not be interpreted to mean any asset held directly or indirectly by any of the Subsidiaries or affiliates of the Obligor, but shall include the Obligor's equity interests in any such Subsidiary or affiliate.

7 **Periodic Distribution Amounts**

- (a) **Periodic Distribution Amounts:** Each 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(d). 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) **Entitlement to Profit:** Profit shall cease to accumulate in respect of each Certificate from and including: (i) any Dissolution Date (other than the Total Loss Dissolution Date) unless, upon due surrender, payment is improperly withheld or refused, in which event profit 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; or (ii) the date on which a transfer agreement is executed in accordance with the terms of the Purchase Undertaking or the Sale Undertaking, as the case may be; or (ii) the date on which a Total Loss Event occurs.
- (c) **Rounding:** 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

(with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (provided that if the eighth significant figure is a five or greater, the seventh significant figure shall be 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.

- (d) **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 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.
- (e) **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) specified hereon.

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:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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).

(f) **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 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 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 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 Trustee shall, upon receipt of a duly completed Exercise Notice from the Obligor in accordance with the provisions of the Sale Undertaking, on giving not less than 30 nor more than 60 days' notice to the Delegate and the Certificateholders (which notice shall be irrevocable) in accordance with Condition 17 redeem the Certificates in whole, but not in part, on any Periodic Distribution Date (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 of the Trustee (in the case of Condition 8(b)(i)) or 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 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 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 the 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 Trustee shall, upon receipt of a duly completed Exercise Notice from the Obligor in accordance with the provisions of the Sale Undertaking, on giving not less than 15 nor more than 30 days' irrevocable notice to the Delegate and the Certificateholders (or such other notice period as may be specified hereon) in accordance with Condition 17, redeem the Certificates in whole, but not in part, on the Optional Dissolution Date at their Dissolution Distribution Amount. Upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trustee shall be bound to dissolve the Trust.

The Optional Dissolution Right and the Certificateholder Put Right may not both be specified as applicable in the applicable Final Terms in respect of any Series.

- (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. If the Certificates are to be redeemed in whole, but not in part, 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 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 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.

The Certificateholder Put Right and the Optional Dissolution Right may not both be specified as applicable in the applicable Final Terms in respect of any Series.

- (e) **Dissolution at the Option of the Certificateholders (Change of Control Put Right):** The Trustee, upon receipt of 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. Provided Change of Control Put Right is specified as applicable hereon, Certificateholders may 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 any 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. If the Certificates are to be redeemed in whole, but not in part, 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 exercise such option, 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 initial aggregate face amount of the Certificates have been redeemed and/or purchased and cancelled pursuant to this Condition 8, the Trustee shall, upon receipt of a duly completed Exercise Notice in accordance with the provisions of the Sale Undertaking, 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) in accordance with Condition 17, redeem the Certificates in whole, but not in part, on the date specified in such notice (the **Clean Up Call Right Dissolution Date**) at their Dissolution Distribution Amount. 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 the 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 Trustee, upon receipt of notice from the Obligor or otherwise upon becoming aware, of the occurrence of a Total Loss Event, unless the Lease Assets are replaced by the Obligor in accordance with the Service Agency Agreement, shall redeem the Certificates, in whole but not in part, by no later than the close of business in London on the 31st day after the occurrence of the Total Loss Event (a **Total Loss Dissolution Date**) at their Dissolution Distribution Amount. 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.
- (j) **Cancellation:** Any Certificates purchased by or on behalf of the Obligor or any of the Obligor's Subsidiaries may 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 Undertaking. All Certificates so surrendered and all Certificates that are redeemed in accordance with this Condition 8 and/or Condition 12 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 (i) any applicable fiscal or other laws, regulations and directives in the place of payment, and (ii) any other laws and regulations to which the Trustee, the Obligor or any of their Agents agree to be subject. No commission or expenses shall be charged to the Certificateholders in respect of such payments.

- (c) **Appointment of Agents:** The Principal Paying Agent, the Registrar, the Transfer Agent and the Calculation Agent initially appointed by the Trustee and the Obligor and their Specified Offices are listed below. The Principal Paying Agent, the Registrar, the Transfer Agent and the Calculation Agent act solely as agents of the Trustee and the Obligor (and, in certain circumstances as more fully described in the Agency Agreement, the Delegate) and do not assume any obligation or relationship of agency or trust for or with any Certificateholder. The Trustee and the Obligor reserve 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, the 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 Registrar 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 net 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;
- (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)); or
- (c) **FATCA withholding:** with respect to any withholding or deduction 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, any regulations or agreements thereunder, or any official interpretations thereof.

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.

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, duties, fees, assessments or charges of any nature unless required by law, and without set-off or counterclaim of any kind. If there is any such withholding or deduction, 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 net amounts as would have been receivable 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 are necessary so that the full amount receivable by the Delegate (after any withholding or deduction for or on account of tax) equals any and all additional amounts required to be paid by the Trustee in respect of the Certificates pursuant to this Condition 10.

11 Prescription

Claims against the Trustee for payment in respect of the Certificates shall be prescribed and become void unless made within ten 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 or otherwise upon becoming aware of a Dissolution Event (through actual knowledge or express notice) shall (subject to it 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 20 per cent. of the aggregate face amount of the Series of Certificates then outstanding or if so directed by an Extraordinary Resolution (subject in each case to 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 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 (subject to Condition 13(a)) the Delegate in the name of the Trustee) shall deliver an Exercise Notice to the Obligor under the Purchase Undertaking. The Trustee (or the Delegate in the name of the Trustee) shall use the proceeds thereof and the aggregate amounts of Deferred Sale Price then outstanding to redeem the Certificates at their Dissolution Distribution Amount on the date specified in the relevant Dissolution Notice (the **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:** Upon 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)), the Trustee or (subject to Condition 13(a)) 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 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) The Delegate shall not 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 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 20 per cent. of the aggregate face amount of the Certificates then outstanding 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, (i) fails to do so within a reasonable period or (ii) is unable by reason of an order of a court having competent jurisdiction to do so, and the failure or inability 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, the 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 not less than 10 per cent. of the aggregate face amount of the Certificates then 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) to vary any method of, or basis for, calculating the Dissolution Distribution Amount; (v) to vary the currency of payment or denomination of the Certificates; (vi) to modify the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to pass an Extraordinary Resolution; (vii) 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); (viii) 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 (ix) 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., of the aggregate face amount of the Certificates then 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. of the aggregate 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 the 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. of the aggregate face amount of the Certificates then outstanding. See "Summary of Provisions relating to the Certificates while in Global Form".

- (b) **Modifications, Waivers, Authorisations and Determinations:** The Delegate may (but shall not be obliged to), without the consent or sanction of the Certificateholders: (i) agree to any modification of any of the provisions of the Declaration of Trust or the Transaction Documents that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error; 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 20 per cent. of the aggregate face amount of the Certificates then outstanding 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 may be made on such terms and subject to such conditions (if any) as the Delegate may determine, shall be binding on the Certificateholders and, unless the Delegate agrees otherwise, 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 or managing 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, and shall become effective from the date of the Declaration of Trust.

- (b) **Indemnification:** The Declaration of Trust contains provisions for the indemnification of the Delegate 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, the Delegate shall in no 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 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 or Change of Control 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 the Certificates shall be mailed to them by first class mail (airmail if overseas) at their respective addresses in the Register.

The Trustee shall also ensure that notices 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 **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.

19 Governing Law and Dispute Resolution

- (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 Condition 19(c), any dispute, claim, difference or controversy arising out of or in connection with the Declaration of Trust (which includes the Certificates, these Conditions and this Condition 19(b)) (including any dispute as to the existence, validity, interpretation, performance, breach or termination of the Declaration of Trust or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it) (a **Dispute**) shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the London Court of International Arbitration (the **LCIA**) (the **Rules**), which Rules (as amended from time to time) are deemed to be incorporated by reference into this Condition 19. For these purposes:
- (i) the seat of arbitration shall be London, England;
 - (ii) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party to the Dispute and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and
 - (iii) the language of the arbitration shall be English.
- (c) **Option to Litigate:** Notwithstanding the agreement described in Condition 19(b) above, 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 19(e) and, subject as provided below, any arbitration commenced under Condition 19(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) **Notice to Terminate:** If any Notice to Litigate is given after service of any Request for Arbitration in respect of any Dispute, the Trustee must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
 - (ii) his entitlement to be paid his proper fees and disbursements; and
 - (iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.
- (e) **Effect of exercise of option to litigate:** If a notice is issued pursuant to Condition 19(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 19(e) 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 shall not be prevented from taking proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction, and to the extent allowed by law, the Delegate may take concurrent Proceedings in any number of jurisdictions.
- (f) **Service of Process:** In the Master Declaration of Trust, each of the Trustee and the Obligor have irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings or Disputes in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Trustee or the Obligor, as the case may be). If for any reason such process agent ceases to be willing or able to act as such or no longer has an address in England, each of the Trustee and the Obligor have irrevocably agreed to appoint a substitute process agent, and shall immediately notify the Delegate of such appointment. Nothing therein shall affect the right to serve process in any manner permitted by law. Each of the Trustee and the Obligor has agreed that failure by a process agent to notify it of any process will not invalidate service.
- (g) **Waiver of Immunity:** Under the Declaration of Trust, the Obligor has acknowledged that the transactions contemplated by the Transaction Documents are commercial transactions and, to the extent that the Obligor may 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 to the Obligor or its assets or revenues, the Obligor has agreed not to claim and has irrevocably and unconditionally waived such immunity in relation to any Disputes or Proceedings. 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 Disputes or Proceedings.
- (h) **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 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 19(h) shall be construed as a waiver of rights in respect of Wakala Portfolio Revenues, Required Amounts, Periodic Distribution Amounts, Rentals, Dissolution Distribution Amounts, Exercise Price, Certificateholder Put Right Exercise Price, Change of Control Exercise Price, Full Reinstatement Value, Total Loss Shortfall Amount, Deferred Sale Price, Murabaha Instalment Profit Amounts, Murabaha Profit Amounts or profit or principal 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, or any other document or agreement 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 the 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 Holders

For so long as a Series of Certificates is represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, the registered holder of the Global Certificate shall, except as ordered by a court of competent jurisdiction or as required by law, be treated as the owner thereof (the **Registered Holder**). Each of the persons (other than another clearing system) who is for the time being shown in the records of either such clearing system as the holder of a particular aggregate face amount of such Certificates (the **Accountholders**) (in which regard any certificate or other document issued by a clearing system as to the aggregate face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the Certificateholder in respect of the aggregate face amount of such Certificates standing to its account in the records of Euroclear or Clearstream, Luxembourg, as the case may be, other than for the purpose of payments in respect thereof, the right to which shall be vested solely in the Registered Holder, as against the Trustee and an Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Registered Holder, and the expressions **Certificateholder** and **holder of Certificates** and related expressions shall be construed accordingly. In addition, holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the relevant Certificates. 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.

3 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.

4 **Transfers in part**

4.1 Global Certificates

Transfers of the holding of Certificates represented by a Global Certificate pursuant to Condition 3(a) 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; or
- (ii) 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 the 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, the 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.

5 **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:

5.1 **Payments**

All payments in respect of the Certificates represented by a Global Certificate will be made (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.

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.

5.2 **Meetings**

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.

5.3 **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).

5.4 **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.

5.5 **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.

6 **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. of the 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, the Obligor 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, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Trustee, the Obligor and the Delegate have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Certificateholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, **commercially reasonable evidence** includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any

Alternative Clearing System, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Certificates. 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:

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

Final Terms

[Date]

Mumtalakat Sukuk Holding Company

Legal entity identifier (LEI): 49300EN7U0YPUUKDX15

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

under the 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 11 February 2019 [and the supplement(s) to it dated [•]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of 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]¹ and must be read in conjunction with the Base Prospectus². 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]³ [is/are] available for viewing in accordance with Article 14 of the Prospectus Directive on the website of Euronext Dublin (www.ise.ie) and during normal business hours at the registered office of the Trustee at the offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, 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 To be included only if the Certificates are to be admitted to trading on the regulated market, and listing on the official list of Euronext Dublin.

² 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.

³ To be included only if the Certificates are to be admitted to trading on the regulated market, and listing on the official list, of Euronext Dublin.

1	(a) Issuer and Trustee:	Mumtalakat Sukuk Holding Company
	(b) Obligor:	Bahrain Mumtalakat Holding Company B.S.C. (c)
2	Series Number:	[•]
3	Specified Currency:	[•]
4	Aggregate Face Amount of Series:	[•]
5	Issue Price:	[•] per cent. of the Aggregate Face Amount
6	(a) Specified Denominations:	[•]
	(b) Calculation Amount:	[•]
	(c) Issue Date:	[•]
	(d) Profit Commencement Date:	[[•]/Issue Date]
7	Scheduled Dissolution Date:	[•]
8	Profit Basis:	Fixed Rate Certificates (further particulars specified at paragraph 14 below)
9	Dissolution Basis:	Dissolution at par
10	Put/Call Rights:	[Not Applicable] [Optional Dissolution Right/Certificateholder Put Right] ⁴ [Change of Control Put Right] [Obligor Clean Up Call Right]
11	Status:	Unsubordinated
12	Date of Trustee's Board approval and date of Obligor's Board approval for issuance of the Certificates:	[•] and [•], respectively

Provisions relating to profit payable (if any)

13	Periodic Distribution Provisions:	
	(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]/[[•]]

⁴ 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.

- (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]
- (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]

Provisions relating to dissolution

- 14 Optional Dissolution Right: [Applicable/Not Applicable]
- (a) Dissolution Distribution Amount: [As per Condition 1/[•] per Calculation Amount/Make-Whole Dissolution Amount]⁵
- (b) Optional Dissolution Date(s): [•]
- (c) Notice period: [[•]/As per Condition [8(c)]]
- 15 Certificateholder Put Right: [Applicable/Not Applicable]
- (a) Dissolution Distribution Amount: [As per Condition 1/[•] per Calculation Amount]
- (b) Certificate holder Put Right Date(s): [•]
- (c) Notice period: [[•]/As per Condition [8(d)]]
- 16 Change of Control Put Right: [Applicable/Not Applicable]
- (a) Dissolution Distribution Amount: [As per Condition 1/[•] per Calculation Amount]
- 17 Obligor Clean Up Call Right: [Applicable/Not Applicable]
- (a) Dissolution Distribution Amount: [As per Condition 1/[•] per Calculation Amount]
- (b) Notice period: [[•]⁶/As per Condition [8(f)]]

⁵ The Make-Whole Dissolution Amount will only be applicable to U.S.\$ denominated issuances.

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

18 Dissolution Distribution Amount following redemption on the Scheduled Dissolution Date, on any Early Tax Dissolution Date or Total Loss Dissolution Date or following the occurrence of a Dissolution Event: As per Condition 1

General provisions applicable to the Certificates

19 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.

20 Financial Centre(s) relating to payment (Condition 9(d)): [Not Applicable/[•]]

Provisions in respect of the Trust Assets

21 Wakala Portfolio on the Issue Date:

(a) Tangible Asset Percentage: [•] per cent.

(b) Murabaha Percentage: [•] per cent.

22 Trust Assets: Condition [5(a)] applies

23 (a) Details of Transaction Account: Bahrain Mumtalakat Holding Company B.S.C. (c) 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 [Seller]

(d) Supplemental Lease Agreement: Supplemental Lease Agreement dated [•] between the Trustee, the Obligor and the Delegate

(e) [Supplemental Assignment Agreement: Supplemental Assignment Agreement dated [•] between the Trustee and the Obligor]

(f) [Purchase Order and Letter of Offer and Acceptance: Purchase Order dated [•] from the Obligor to the Trustee and Letter of Offer and Acceptance dated [•] from the Trustee to the Obligor]

Signed on behalf of **Mumtalakat Sukuk Holding Company**

Signed on behalf of **Bahrain Mumtalakat Holding Company B.S.C. (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 Euronext Dublin for the Certificates to be listed on its Official List and admitted to trading on the regulated market of Euronext Dublin 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] rated:

[Standard & Poor's:[•]]

[Fitch:[•]]

[[•] 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) FISN: [•]

(d) CFI: [•]

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

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

(g) Stabilisation 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 in the following proportion (i) the Tangible Asset Percentage of the aggregate face amount of the Certificates of such Series towards the purchase from the Obligor (or any of its subsidiaries) of the Real Estate Assets pursuant to the relevant Purchase Agreement and, if applicable, the Securities Interests relating to the Securities pursuant to the relevant Assignment Agreement; and (ii) the Murabaha Percentage of the aggregate face amount of the Certificates of such Series towards the purchase of commodities to be sold to the Obligor pursuant to the Master Murabaha Agreement.

The amounts 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 by the Obligor, will be applied by the Obligor for its general corporate purposes.

DESCRIPTION OF THE TRUSTEE

The Trustee

The Trustee, an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 16 September 2014 under the Companies Law (2013 Revision) of the Cayman Islands with company registration number 291803. The registered office of the Trustee is at the offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands, telephone number +1345 949 8066.

The authorised share capital of the Trustee is U.S.\$50,000 divided into 50,000 ordinary shares of U.S.\$1.00 each, one of which has been issued. All of the issued shares (the **Trustee Shares**) are fully-paid and are held by Mumtalakat.

The Business of the Trustee

The Trustee has no prior operating history or prior business (other than the entry into the transactions contemplated by the Transaction Documents and the issuance of the Certificates to date) and will not have any substantial assets or liabilities other than in connection with the Certificates.

So long as any of the Certificates remain outstanding, the Trustee shall not incur any other indebtedness in respect of financed, borrowed or raised money whatsoever or engage in any business or activity (other than acquiring and holding assets in connection with the Certificates, issuing the Certificates and entering into related agreements and transactions as provided for in the Transaction Documents), or, *inter alia*, redeem any of its shares or pay any dividends or make any other distribution to its shareholders, have any subsidiaries or employees, purchase, own, lease, or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Transaction Documents) or issue any shares (other than such Trustee Shares as were in issue on the date hereof or as contemplated in the Transaction Documents).

The Trustee has, and will have, no significant assets other than the sum of U.S.\$1.00 representing the issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of the Certificates and the acquisition of assets in connection with the Certificates, any bank account into which such paid-up share capital and fees may be deposited and the Trust Assets. Save in respect of fees generated in connection with the issue of the Certificates any related profits and proceeds of any deposits and investments made from such fees or from amounts representing the Trustee's issued and paid-up share capital, the Trustee does not expect to accumulate any surpluses.

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 or appoint any auditors.

Directors of the Trustee

The directors of the Trustee are as follows:

Name	Principal Occupation
Rima Al Masri	Chief Operating Officer of Mumtalakat
Suha Karzoon	Chief Financial Officer of Mumtalakat
Mahmood H. Al Kooheji	Chief Executive Officer of Mumtalakat

The business address of each of the directors is the offices of Bahrain Mumtalakat Holding Company B.S.C. (c), Flat 401, Building No. 551, Road 4612, Manama/Sea Front 346, P.O. Box 820, Manama, Kingdom of Bahrain.

The Trustee's Articles of Association provide that the board of directors of the Trustee will consist of at least one director.

There are no potential conflicts of interest between the duties of the directors of the Trustee to the Trustee and their private interests or other duties.

OVERVIEW OF BAHRAIN

Bahrain is an archipelago made up of 36 islands with a total land surface area of 760 square kilometres situated in the Arabian Gulf. The islands are about 24 kilometres from the east coast of Saudi Arabia and 28 kilometres from Qatar. The largest island, Bahrain Island, comprises nearly 91.3 per cent. of the total land area of Bahrain and is linked to mainland Saudi Arabia by a 25-kilometre causeway. The capital of Bahrain, Manama, is on Bahrain Island. Bahrain's other significant islands include the southern archipelago called Hawar, near the coast of Qatar, Muharraq Island (**Muharraq**) (which is Bahrain's second largest city and where Bahrain's international airport and the country's main port, KBSP at Hidd, are located) and Sitra (a mainly industrial island). Muharraq and Sitra are connected to Bahrain Island by causeways.

The earliest historical record of Bahrain dates back to the third millennium BC when it was known as Dilmun, a successful station for tradesmen in the Arabian Gulf (**Gulf**) with a thriving community closely linked to Mesopotamia. During the nineteenth century, Bahrain became the British Empire's political headquarters in the Gulf. The first discovery of oil in the region took place in Bahrain in 1932 (which coincided with the collapse of Bahrain's pearl industry). On 15 August 1971, Bahrain declared its independence from the United Kingdom. Upon independence, the late HH Shaikh Isa bin Salman Al Khalifa assumed the position of Emir, the head of state, while his brother, HE Shaikh Khalifa bin Salman Al Khalifa, became prime minister. In 1981, Bahrain, together with Kuwait, Oman, Qatar, Saudi Arabia and the UAE, established the GCC.

Population

A census is held in Bahrain every ten years. Bahrain's last census, in April 2010, recorded a population of 1,234,571, of whom 46 per cent. were Bahraini nationals, the remaining being principally expatriate workers. According to the 2010 census, approximately 70.2 per cent. of the population were Muslim, with small minorities of Christians, Hindus and Jews also present. Arabic is the official language, although English is widely used and understood for business purposes.

The national education system is well established (adult literacy was 93.7 per cent. according to the 2010 census). Bahrain's life expectancy for men and women is 76 and 80 years, respectively. This is among the highest in the Arabian Gulf region.

According to statistics compiled by the IGA, in 2018, Bahrain had a population of 1.5 million, of whom 45.9 per cent. were Bahraini nationals and 54.1 per cent. were non-Bahrainis, principally expatriate workers. Over the last decade, the population of Bahrain has increased by 36.2 per cent. from 1.1 million in 2008. Nearly 24.9 per cent. of the population was under the age of 15. Based on IGA estimates, Bahrain's population is expected to increase to 1.7 million by 2020 and 2.2 million by 2030.

Economy

Although oil continues to play an important part in Bahrain's economy, Bahrain has an increasingly important financial services industry and, as such, enjoys a strong, diverse and competitive economy. In 2018, Bahrain was ranked 50th of 140 countries worldwide (compared to 46th of 135 countries in 2017) for its overall global competitiveness in the World Economic Forum's Global Competitiveness Report 2018.

The oil sector only accounted for 19.9 per cent. of real GDP in 2016 and 19.1 per cent. of Bahrain's real GDP in 2017 (*source*: IGA – National Accounts Q3 2018 Report). According to the same source, this proportion has fallen from 23.3 per cent. in 2014 despite the positive absolute growth in hydrocarbons extraction. Four sectors of the economy (i.e., mining and quarrying, financial corporations, manufacturing and government services) each generated more than 10 per cent. of constant GDP in 2017. Apart from the relatively flat hydrocarbons sector, the other three sectors have been important contributors to growth, each growing at a compound average annual rate of more than 5 per cent. since 2000. These three sectors

taken together had a real GDP share of 44.1 per cent. in 2016 and 43.9 per cent. in 2017 (*source*: IGA – National Accounts Q3 2018 Report).

A brief overview of Bahrain's GDP and some of the other principal sectors contributing to Bahrain's GDP is set out below.

GDP

The following table sets out the GDP of Bahrain for the periods indicated, both as a total and on a per capita basis, and both in current prices and constant 2010 prices for the periods indicated (*source*: in relation to 2016 data (excluding per capita data), IGA – National Accounts 2017 Report, in relation to 2017 and 2018 data (excluding per capita data), IGA – National Accounts Q3 2018 Report and in relation to per capita data, IGA – National Accounts dated 23 December 2018 as sourced from the Ministry of Finance and National Economy):

	As at 30 September		As at 31 December	
	2018 ⁽¹⁾⁽⁴⁾		2017 ⁽⁴⁾	2016 ⁽⁵⁾
GDP at current prices (<i>BD millions</i>).....	3,584.3		13,322.7	12,126.1
GDP at constant 2010 prices (<i>BD millions</i>)	3,180.6		12,430.2	11,974.7
<i>Percentage change over previous period</i>				
At current prices (<i>per cent.</i>).....	7.5 ⁽²⁾		9.9	3.7 ⁽³⁾
At constant 2010 prices (<i>per cent.</i>).....	1.6 ⁽²⁾		3.8	3.6 ⁽³⁾
<i>Per capita</i> ⁽⁶⁾				
At current prices (<i>BD millions</i>).....	-		8,842.1	8,521.8
At constant 2010 prices (<i>BD millions</i>).....	-		8,249.5	8,418.4

Notes:

- (1) Provisional data. Figures represent the GDP for the third quarter of 2018 (from 1 July 2018 to 30 September 2018).
- (2) With respect to the percentage change for a quarter, the figure represents the percentage change between the relevant quarter in 2018 as compared to the same quarter in 2017.
- (3) On the basis of the GDP figures extracted from IGA – National Accounts 2017 Report.
- (4) Sourced from IGA – National Accounts Q3 2018 Report, excluding per capita (see footnote 6).
- (5) Sourced from IGA – National Accounts 2017 Report excluding per capita (see footnote 6).
- (6) Sourced from IGA – National Accounts dated 23 December 2018 as sourced from the Ministry of Finance and National Economy.

The following table sets out the growth in GDP in percentage terms (by expenditure approach) based on constant 2010 prices for the periods indicated (*source*: in relation to 2016 data, IGA – National Accounts 2017 Report and in relation to 2017 and 2018 data, IGA – National Accounts dated 23 December 2018 as sourced from the Ministry of Finance and National Economy):

	As at 31 December					
	2018		2017		2016	
	(<i>BD millions</i>)	(<i>per cent.</i>)	(<i>BD millions</i>)	(<i>per cent.</i>)	(<i>BD millions</i>)	(<i>per cent.</i>)
Private consumption.....	-	-	4,729.7	38.2	4,798.9	40.0
Government consumption	-	-	1,890.1	15.3	1,833.4	15.3
Gross fixed capital formation.....	-	-	3,371.0	27.2	3,036.0	25.3
Change in stocks.....	-	-	647.3	5.2	240.4	2.0
Net export of goods and services	2,059.7	22.0	1,745.5	14.1	2,076.7	17.3
Exports of goods and services.....	4,128.9	44.1	10,089.5	81.5	9,816.3	81.9
Imports of goods and services.....	2,069.2	22.1	8,344.0	67.4	7,739.6	64.6
GDP	9,352.0	100.0	12,383.5	100.0	11,985.5	100.0

Government consumption also affects private consumption since the Government is the country's major employer and promoter of capital projects. In addition, Government procurement contracts are a major source of work for many private companies in Bahrain. Investment is affected by the oil sector with gross fixed capital formation and stock building being influenced by periods of fluctuating oil prices.

The following table sets out the EDB's forecast for Bahrain's economic outlook for 2018 and 2019 (*source*: EDB – Bahrain Economic Quarterly September 2018 Report):

	As at 31 December	
	2018 ⁽¹⁾	2019 ⁽²⁾
Real GDP Growth (%).....	3.1	3.0
Non-hydrocarbons sector (%).....	3.8	3.6
Hydrocarbons sector (%).....	(0.5)	0.0
Nominal GDP Growth (%).....	8.5	5.6
Inflation (CPI %.).....	2.7	3.3
Current account (% of GDP).....	(1.5)	(1.2)
Fiscal balance (% of GDP).....	(7.2)	(5.4)
Crude Oil Brent (U.S.\$).....	73	73

Notes:

- (1) Forecast.
(2) Forecast.

The table below sets out Bahrain's GDP by economic activity based on constant 2010 prices and by percentage contribution for the periods indicated (*source*: in relation to 2016 data, IGA – National Accounts 2017 Report and in relation to 2017 and 2018 data, IGA – National Accounts dated 23 December 2018 as sourced from the Ministry of Finance and National Economy):

	As at 30 September		As at 31 December			
	2018 ⁽¹⁾		2017		2016	
	(BD millions)	(per cent.)	(BD millions)	(per cent.)	(BD millions)	(per cent.)
Non-financial corporations	6,471.7	68.4	8,534.1	67.7	8,071.4	66.6
Agriculture and fishing	26.9	0.3	34.6	0.3	40.3	0.3
Mining and quarrying	1,749.6	18.5	2,377.9	13.4	1,460.3	12.0
Manufacturing	1,398.3	14.8	1,802.5	18.5	2,194.1	18.1
Electricity and water	134.4	1.4	172.1	1.3	163.4	1.3
Construction	688.6	7.3	872.0	8.1	956.7	7.9
Trade.....	419.0	4.4	568.3	4.5	557.6	4.6
Hotels and restaurants	220.8	2.3	301.6	2.4	293.0	2.4
Transport and communications	686.6	7.3	911.7	7.2	903.2	7.4
Social and personal services	593.4	6.3	772.4	6.3	790.9	6.5
Real estate and business activities	554.1	5.9	721.0	5.6	711.8	5.9
Financial corporations	1,558.8	16.5	2,027.0	17.0	2,124.0	17.5
Financial institutions	496.3	5.2	611.6	5.8	688.3	5.7
Offshore financial institutions	541.4	5.7	739.6	5.8	761.2	6.3
Insurance	521.1	5.5	657.8	5.4	674.5	5.6
Government services	1,233.4	13.0	1,589.1	13.3	1,703.8	14.1
Government education services	237.1	2.5	313.9	2.7	354.6	2.9
Government health services	188.9	2.0	246.9	1.9	243.4	2.0
Other Government services	807.3	8.5	1,028.3	8.7	1,105.7	9.1
Private non-profit institutions serving households	3.7	0.0	5.4	0.1	8.0	0.1
Households with employed persons	84.4	0.9	117.8	1.0	120.8	1.0
GDP at producer prices	9,352.0	98.9	12,273.0	99.1	12,027.9	99.2
Import duties	107.0	1.1	110.1	0.9	98.1	0.8
GDP	9,459.0	100.0	12,383.5	100.0	12,126.1	100.0

Notes:

(1) Figures represent the cumulative amounts as at 30 September 2018 (from 1 January 2018 to 30 September 2018).

The following is a description of the principal sectors of the economy based on percentage contribution to GDP for the relevant periods.

Mining and quarrying

According to statistics compiled by the IGA (source: IGA Annual Report 2017), the mining and quarrying sector accounted for 13.4 per cent. of real GDP in 2017.

Oil production

Bahrain has the smallest oil reserves of the GCC countries and daily average crude oil production of 44,234 barrels per day (**bpd**) in 2017, 44,200 bpd in 2016, 50,602 bpd in 2015 and 48,930 bpd in 2014 from its only onshore oilfield, Awali (source: Bahrain Prospectus). According to EDB – Bahrain Economic Quarterly September 2018 Report, daily average crude oil production from Awali reached 41,678 bpd in the third quarter of 2018. Tatweer Petroleum-Bahrain Field Development Company WLL (**Tatweer Petroleum**) (a state-owned company jointly operated by Occidental Petroleum, Mubadala Development Company Oil and Gas (Bahrain Field) LLC, Nogaholding and the National Oil and Gas Authority of Bahrain (**NOGA**)) is responsible for operating the Awali Field including the Khuff Gas Reservoir.

Bahrain also exports crude oil from the Abu Saafa Oilfield and its share in the Abu Saafa production amounted to 152,913 bpd in 2017, 153,512 bpd in 2016, 150,942 bpd in 2015 and 153,637 bpd in 2014 (source: Bahrain Prospectus). According to EDB – Bahrain Economic Quarterly September 2018 Report, crude oil production from Abu Saafa reached 162,869 bpd in the third quarter of 2018. In 2017, Bahrain processed approximately 261,582 bpd of crude oil from the Bahrain Field and Saudi Arabia at its refinery in Sitra (source: Bahrain Prospectus).

On 4 April 2018, NOGA announced the largest ever discovery of oil and gas resource in Bahrain. The discovery comprises: (i) tight oil reserves of at least 80 billion barrels (based on a P50 estimate that provides a 50 per cent. range of confidence that such estimate is above or below the recoverable resource), within the Khalij Al-Bahrain Basin, located off Bahrain's west coast, close to a fully-operational oil field and potential for substantial cost optimisation; and (ii) significant gas reserves in two accumulations below Bahrain's main gas reservoir.

Refining

Bahrain has an oil refinery at Sitra operated by Bapco. The Sitra oil refinery has a nameplate capacity of 267,000 bpd and produces a full range of products, with the most valuable being middle distillates which constitute about 58 per cent. of the refinery's production.

As part of Bapco's modernisation programme (announced by the Government in 2010), a new 112-kilometre long 30-inch A-B pipeline, with a maximum nameplate capacity of 400,000 bpd has been built to replace the pre-existing 235,000 bpd pipeline built in 1945. The new pipeline runs partly onshore and offshore, linking the Sitra Refinery to Saudi Aramco's plant at Abqaiq, in eastern Saudi Arabia. Abqaiq is Saudi Aramco's largest oil processing facility and the largest crude oil stabilisation plant in the world. The facilities receive sour crude oil from gas-oil separation plants, process it into sweet crude oil and then transport it. Fibre optic cable was also laid alongside the pipeline for data communication and leak detection purposes. The mechanical completion and pre-commissioning activities of the new pipeline were completed in October 2018.

The Bahrain-based portion of the new pipeline is owned by the Saudi Bahrain Pipeline Company, a wholly-owned subsidiary of Bapco, and Saudi Aramco owns the portion of the pipeline in Saudi Arabia. The pipeline is subject to a leasing agreement between Bapco and the Saudi Bahrain Pipeline Company, pursuant to which Bapco will lease the portion of the pipeline in Bahrain from Saudi Bahrain Pipeline Company.

Gas

Although Bahrain's gas reserves are relatively small, total gas production (i.e., natural gas from the Khuff Gas Reservoir and the associated gas production) has gradually increased over the years, from 393.0 billion cubic feet in 1998 to 754.1 billion cubic feet in 2017 (*source*: Bahrain Prospectus).

In July 2017, the operation of the gas distribution business in Bahrain was moved from Bapco to Tatweer Petroleum with the intention of ultimately having the business managed by new gas distributor, expected to be a wholly-owned subsidiary of Nogaholding. Tatweer Petroleum manages and distributes gas from the Khuff Gas Reservoir to end-user customers including Bapco's oil refinery.

Gas is sold directly to the following principal domestic consumers: Bahrain's power stations (which accounted for 45 per cent., 43 per cent., 45 per cent. and 45 per cent. of total gas utilisation in 2017, 2016, 2015 and 2014, respectively), followed by Alba (which accounted for 27 per cent., 27 per cent., 26 per cent. and 26 per cent. of total gas utilisation in 2017, 2016, 2015 and 2014, respectively), Gulf Petrochemical Industries Company (**GPIC**) (which accounted for 9 per cent., 9 per cent., 8 per cent. and 9 per cent. of total gas utilisation in 2017, 2016, 2015 and 2014, respectively) and the Sitra oil refinery (which accounted for 11 per cent., 10 per cent., 11 per cent. and 10 per cent. of total gas utilisation in 2017, 2016, 2015 and 2014, respectively) (*source*: Bahrain Prospectus). According to the same source, the other principal use of the natural gas produced from the Khuff Gas Reservoir is oil field injection, which accounted for 31 per cent., 26 per cent., 33 per cent. and 41 per cent. of oil field injection in 2017, 2016, 2015 and 2014, respectively.

Associated gas, which is produced with crude oil, is distributed to all seven compressor stations operated by Bahrain National Gas Company (**Banagas**). Banagas extracts propane, butane for export and naphtha from associated gas. Propane, butane and naphtha are transported to Banagas-owned storage facilities in Sitra, and naphtha is also transported to the refinery for international export by pipeline. Residue gas from Banagas subsequently enters the national gas system at a pressure lower than Khuff gas and is sold to local customers who can accommodate the lower pressure. The Government aims to increase its production volume of associated gas in connection with its strategic aim to increase its oil production.

As part of its diversification of its energy supply programme to reduce its dependence on oil, the Government has also focused on alternative sources of energy. For example, the Government aims to supplement available natural gas by importing liquefied natural gas (**LNG**) through its Bahrain LNG import terminal (**Bahrain LNG Terminal Project**). The Bahrain LNG Terminal Project will form a key part of the energy infrastructure of Bahrain. It is expected to give Bahrain security of supply that it needs to meet its growth in demand for natural gas to fuel large industrial projects, to generate power and water and to increase oil recovery. The Bahrain LNG import terminal is expected to allow Bahrain to handle any potential shortages of gas and will allow Bahrain to supplement domestic gas supplies with gas from LNG. Construction commenced in the first quarter of 2017 and is expected to complete by 2019.

New oil and gas discovery

In April 2018, the Government announced the largest ever discovery of oil and gas resource in Bahrain. The discovery comprises: (a) tight oil reserves of at least 80 billion barrels (based on a P50 estimate that provides a 50 per cent. range of confidence that such estimate is above or below the recoverable resources), within the Khalij Al-Bahrain Basin, located off Bahrain's west coast, close to a fully-operational oil field and potential for substantial cost optimisation; and (b) significant gas reserves in two accumulations below Bahrain's main gas reservoir containing approximately 14 trillion cubic feet of gas,

off the coast of the islands. Involved in the discoveries were U.S.-based oil companies, Halliburton Co and Schlumberger Ltd alongside NOGA.

Extensive work has already been carried out to evaluate in-place volumes and the first appraisal well in the drilling programme is expected to produce oil by mid-2019, with the focus over the next two years being optimisation of production and commercial efficiencies. The newly discovered resource is expected to be on-production in five years, providing significant long-term positive benefits to Bahrain's economy, directly and indirectly through downstream activities in related industries.

Financial services

Bahrain is one of the major financial centres in the MENA region. It has a well-developed banking, insurance and fund industry, driven by a comprehensive regulatory framework set by the Bahrain's sole financial regulator, the CBB. Bahrain has the largest concentration of Islamic finance institutions in the GCC region, including Islamic banks, Takaful and Retakaful firms and professional bodies and associations setting global standards for the industry.

As at 31 December 2018, there were 382 financial institutions in Bahrain of which 98 were banks. Of these, 68 were wholesale banks and 30 were retail banks while 21 were Islamic banks (*source: CBB Fact Sheet December 2018*).

Capitalising on Bahrain's 14,000-strong highly skilled and bilingual local workforce in the financial services, the Government has prioritised its development efforts to focus on deepening Bahrain's ancillary financial services and building on its financial technology sector, including payment services.

According to statistics compiled by the IGA (*source: IGA – National Accounts Q3 2018 Report*) the financial services sector accounted for 17 per cent. of real GDP in 2017.

Manufacturing

The discovery of oil in the early 1930s was the spur for industrialisation in Bahrain. The principal manufacturing facilities in Bahrain are an aluminium smelter operated by Alba, an oil refinery operated by Bapco at Sitra and the petrochemicals complex operated by GPIC. Other areas of manufacturing include ship repair, iron palletising facilities, light engineering facilities and textile production.

According to statistics compiled by the IGA (*source: IGA – National Accounts Q3 2018 Report*), the manufacturing sector accounted for 18.5 per cent. of real GDP in 2017.

Aluminium

The Alba aluminium smelter, with a capacity of 936,000 tonnes per year, is one of the largest aluminium smelters in the world and produces in excess of 900,000 tonnes of aluminium per annum. Line 6, a production expansion plan, began production in December 2018 and is expected to add approximately 540,000 tonnes to Alba's existing capacity of 936,000 tonnes of aluminium per year, making Alba the world's largest producer of aluminium by individual smelter capacity. 69.38 per cent. of Alba's share capital is held by Bahrain through Mumtalakat and 20.62 per cent. of its share capital is held by SABIC (see further "*Description of Mumtalakat – Key Portfolio Companies – Select subsidiary companies – Alba*" above).

Bahrain's largest non-oil export is aluminium, which is smelted at the Alba aluminium smelter, estimated by the IGA to have accounted for 10.4 per cent. of total exports and 19.5 per cent. of total non-oil exports in 2016, 12.0 per cent. of total exports and 22.5 per cent. of total non-oil exports in 2015 and 7.9 per cent. of total exports and 20.8 per cent. of total non-oil exports in 2014. There are a number of other aluminium-based industries in Bahrain, including plants which produce approximately 165,000 tonnes per year of rolled products, 180,000 tonnes per year of aluminium cables and 25,000 tonnes per year of extruded aluminium products. In addition, a coke-calcinating plant operated by Alba with a capacity of

550,000 tonnes per year began production in January 2002. The majority of its production is used by Alba, and the balance is exported (*source*: Bahrain Prospectus).

Petrochemicals

GPIC is an equally-owned joint venture company between the Government (one-third ownership through Nogaholding), SABIC (one-third ownership) and Petrochemical Industries Company of Kuwait (one-third ownership), which was established in 1979 and started production in 1985. GPIC owns a petrochemical and fertiliser complex at Sitra producing 1,200 metric tonnes of ammonia per day, 1,700 metric tonnes of urea per day and 1,200 metric tonnes of methanol per day. In 1995, a sulphur derivatives plant was commissioned by National Chemical Industries Corporation. This plant has a capacity of 9,000 tonnes per year of sodium sulphite and 6,000 tonnes per year of metabisulphite and uses feedstock from the refinery operated by Bapco (*source*: Bahrain Prospectus).

Transport and communications

According to statistics compiled by the IGA (*source*: IGA – National Accounts Q3 2018 Report), the transport and communications sector accounted for 7.2 per cent. of real GDP in 2017.

Air transportation

The Ministry of Transportation and Telecommunications and the Bahrain Airport Company has developed the Airport Modernisation Programme, which is a comprehensive project begun in 2014 to enhance the Bahrain International Airport and includes the construction of advanced aerobridges, high-tech security scanning machines and the expansion of the duty-free area.

Construction on the Bahrain International Airport passenger terminal began in February 2016 (the **BIA Passenger Terminal**) and is expected to be completed by 2020. Once the BIA Passenger Terminal is completed, it is expected to become a major contributor to Vision 2030. The BIA Passenger Terminal will be four times the size of the current airport (approximately 206,000 m²) and is expected to be able to accommodate approximately 14 million passengers per annum (compared to the current capacity of nine million passengers per annum). The project will also include multi-storey car parks and access roads along with a central utilities complex, new aircraft stands and taxi lanes. Advanced technology will be introduced throughout aimed at facilitating passenger flow and maintaining efficiency and speed while ensuring sustainable operations.

The total cost of construction is estimated to be approximately U.S.\$1.1 billion, with work expected to continue from the second half of 2017 through 2019. As part of the airport modernisation, air cargo is also expected to reach 1 million metric tonnes per annum over the next decade. Bahrain Airport Company is currently in the process of developing a comprehensive air cargo strategy to facilitate the growth of existing tenants and attract new ones, in particular, suppliers of perishable goods and cold foods.

Road transportation

A new public transport network was announced in 2015, which aims to modernise and upgrade public transport services. The network is intended to further improve the standard of living of all citizens and residents by providing safe, accessible and high quality public transportation in line with global standards and Vision 2030. The Bahrain Public Transport Company was appointed as a new operator for the project under a 10-year concession agreement to operate Bahrain's new public transport network.

A new bus network is now in full operation and includes 141 new buses operating on 32 routes to destinations not previously covered. The bus network is intended to have a dual role in the future as the feeder for light rail and mainline rail services, as well as providing nationwide public transit coverage.

Ports and sea transportation

The KBSP, inaugurated on 11 November 2009 and privately managed by APM Terminals, is the first multi-functional facility that is focused on import, export and re-exports and value-added services in Bahrain. The KBSP occupies an area of 110 hectares of reclaimed land and is located in the north-east of Bahrain, 13 kilometres from Bahrain airport. It is also linked to the road leading to the King Fahad Causeway. The KBSP has a current total capacity of one million twenty-foot equivalent units (TEUs) which, if required, can be increased to handle 2.5 million TEUs.

The King Fahad Causeway, completed in 1986, is a 25-kilometre causeway that links Bahrain to the largest market in the GCC, Saudi Arabia. The feasibility study for a second causeway linking Bahrain and Saudi Arabia called the "King Hamad Causeway" is complete, and the second causeway is expected to have a road and rail link between Saudi Arabia and Bahrain and connect to the proposed GCC rail network, which will accommodate freight and passengers and is scheduled for completion by 2023. The GCC rail network is also planned to connect to a proposed light rail urban transit network in Bahrain, which is aimed at reducing congestion. Bids for the preliminary design and functional specification of the rail urban transit network were received in March 2016 and the construction phase was put out to tender in April 2017.

The Public Commission for the Protection of Marine Resource, Environment and Wildlife has invested in the design and construction of four fishing harbours in Askar, Hidd, Malkiya and Tubli and a jetty in Hawar.

Bahrain has invested U.S.\$21.3 million in the Tubli Wastewater Treatment Plant Upgrade Project which aims to upgrade the secondary treatment unit at Tubli STP to improve the quality of water and the 100,000m³/day overflow to Tubli Plant. The project deploys proprietary reactor units to improve the quality of waters discarded in Tubli Bay.

Telecommunications

Bahrain has a high quality modern telecommunications system, currently operated by Batelco, Zain and STC through its "Viva" operations. Batelco, a listed entity on the Bahrain Bourse, is 76.97 per cent. owned by the Government through Mumtalakat and the SIO (see further "*Description of Mumtalakat – Key Portfolio Companies – Select subsidiary companies – Batelco*" above).

Zain began operations in December 2003 following the implementation of the law passed on 5 November 2002 permitting competition in the telecommunications sector.

Viva became the third mobile operator in Bahrain and commenced commercial operations in February 2010. STC Group is one of the leading telecommunications groups in the MENA region with more than 160 million subscribers to its service worldwide through nine countries.

The sector is regulated by the Telecommunications Regulatory Authority (TRA), which was established by Legislative Decree No. 48 of 2002 promulgating the Telecommunications Law. The TRA is an independent body and its duties and powers include protecting the interests of subscribers and users of telecommunications services and promoting effective and fair competition among established and new licensed operators. The TRA's vision is to develop Bahrain as the region's most modern communications hub and to facilitate the development of the market. Its mission is to protect the interests of subscribers and users of telecommunications services and maintain effective and fair competition between established and new entrants to the telecommunications market of Bahrain.

Bahrain has a strong mobile sector. Mobile prices tend to be low compared to other GCC countries, and LTE (4G) coverage is extensive. At the end of December 2015, there were approximately 2.5 million mobile subscriptions in Bahrain, representing a penetration rate of 185 per cent. At the end of December 2016, there were 3.0 million mobile subscriptions in Bahrain, representing a penetration rate of 213 per cent. As at 31 December 2017, there were 2.4 million mobile subscriptions; a 21 per cent. decrease from

the end of 2016. The mobile penetration rate was 163 per cent. as at 31 December 2017 (*source*: Bahrain Prospectus).

As at 31 December 2017, there were approximately 2.4 million broadband subscriptions, a 1.4 per cent. decrease compared to 31 December 2016. Broadband penetration reached 164 per cent. at the end of December 2017 compared to 172 per cent. at the end of December 2016. Mobile broadband represented 93 per cent. of mobile broadband subscriptions as at 31 December 2017 (*source*: Bahrain Prospectus).

Growth of broadband subscriptions is driven by the growth of mobile broadband subscriptions. The Government believes that a single national broadband network infrastructure to deliver ultra-fast broadband products and services is preferable and more efficient for a country of the size, population distribution and topology of Bahrain. This single network is expected to be owned by an entity that shall be legally and functionally separated from Batelco and which will supply wholesale products and services to all licensed operators in Bahrain on a non-discriminatory basis. It will be awarded the right to deploy the national broadband network and to supply wholesale products and services. In February 2018, Batelco announced the launch of an initiative to provide free internet services at public locations, such as parks, gardens and coastlines, in partnership with the Ministry of Works, Municipalities and Urban Planning, reinforcing Batelco's commitment to Vision 2030.

Bahrain was ranked 11th globally in the telecommunications infrastructure index according to the UN's e-Government Readiness Report 2016 published in July 2016. According to the Global Information Technology Report 2016 issued by the World Economic Forum in Geneva, in collaboration with INSEAD University's Business School, in early July 2016, Bahrain ranked 24th globally in the information and communication technologies usage sub-index, which measures the readiness of the three pillars (individuals, business and the government) to use information and communication technologies. The Global Information Technology Report 2016, published by the World Economic Forum, ranked Bahrain 4th globally in terms of mobile broadband subscriptions and 5th in terms of mobile phone subscriptions.

Privatisation

In 2002, the Government passed a privatisation law, which, among other matters, established procedures for setting privatisation policy, identified the sectors to be targeted for privatisation and detailed the use of privatisation proceeds.

As set out in Vision 2030, privatisation remains a priority for the Government and includes a focus on deregulation in order to encourage private investment in schools, hospitals and other public services. This is part of the Government's strategy to make the private sector the key driver of Bahrain's economic growth. The total proceeds raised from privatisations in Bahrain between 1989 and 2000 amounted to less than U.S.\$79.8 million. Since then, privatisations have accelerated. In particular, in 2007, Hidd power plant was privatised, generating U.S.\$738 million and the privatisation of the Seef Properties generated U.S.\$72 million for the Government (*source*: Bahrain Prospectus). In November 2010, Mumtalakat conducted a global offering of a portion of its ordinary shares in Alba. The ordinary shares are listed on the Bahrain Bourse and global depositary receipts representing such shares are listed on the London Stock Exchange.

Currently 90 per cent. of Bahrain's electricity and water is produced by the private sector and the Ministry of Works, Municipalities and Urban Planning has received proposals from six organisations for a consultancy contract in respect of the planned expansion of the Tubli sewage treatment plant, which is also expected to be a public private partnership (PPP) project (*source*: Bahrain Prospectus). The Government is also encouraging private sector investment in other sectors such as utilities, education and healthcare and has privatised its public transport system.

In recent years, the PPP model has also been successfully applied to the provision of social and affordable housing. In 2012, the Ministry of Housing signed a five-year U.S.\$553.2 million PPP agreement with the real estate and infrastructure development company, NASEEJ, for the development of 3,110 social

housing units and over 1,000 affordable homes across three different locations. In 2016, the Ministry of Housing and Eskan Bank launched a U.S.\$3.5 billion housing development programme.

Government Budget and Public Finance

The information in the following sub-section has been sourced from the Bahrain Prospectus.

Bahrain's budget deficit has grown in recent years due to a counter-cyclical policy of continued diversification of investment and public support during a period of low oil prices. However, Bahrain is increasingly focused on ensuring prudent fiscal management through reducing expenditure levels, fiscal diversification and fiscal consolidation.

Although oil continues to play an important role in Bahrain's economy, the Government continues to focus on: (i) reducing subsidies; and (ii) further increasing non-oil revenues through various initiatives. Developing non-oil streams of revenue has involved the introduction of new fees and charges across a number of sectors. To date, the Government has approved and implemented increases to primary healthcare charges, fees for licences and services provided by the Civil Aviation Authority, visa fees, postal and traffic violation fees, as well as recovering Government services costs through capital contributions.

The 2017-2018 Government budget was approved in July 2017 following a seven-month delay as a result of discussions regarding a reduction in public expenditure to address the budget deficit. In the 2017-2018 budget, total revenue is budgeted at U.S.\$6.3 billion for 2018, total expenditure is budgeted at U.S.\$9.8 billion for 2018, and the budget deficit is budgeted at U.S.\$3.5 billion for 2018. The 2017-2018 budget was based on an average oil price of U.S.\$55 per barrel (the Government's break-even point is U.S.\$119 per barrel in 2018 for the 2017-2018 budget).

The 2017-2018 budget focuses on many of the same themes as the 2015-2016 budget, and the principal goals of Bahrain's 2017-2018 budget are: (i) strengthening fiscal discipline and reducing Government recurrent expenditures (other than manpower expenditures) and projects expenditures; (ii) maintaining basic salaries and continuing to support Bahrain's citizens; (iii) prioritising the diversification of revenue sources; and (iv) focusing on economic growth. The 2017-2018 budget also seeks to increase development programmes, in particular to diversify non-oil related revenues, set out a medium-term strategy to control the public debt, reduce the growth of operating expenditures (other than manpower) by a maximum of 15 per cent., as compared to 2016 levels. Fiscal deficits, as a percentage of GDP, are estimated at 10.3 per cent. for 2017 and 9.4 per cent. for 2018.

The Government has also committed to raising the gas price by U.S.\$0.25 per year, starting from 2015 through 2021 until it reaches U.S.\$4.0 per million British thermal units, which is projected to realise a saving of almost U.S.\$930 million over six years. In addition, re-categorisations of utilities' subsidies are expected to generate savings of over U.S.\$1,748.3 million. Increases in oil and gas prices are expected to save up to U.S.\$1,241.4 million by 2021.

As of 1 January 2019, the Government began implementing the first phase of its value added tax plan in line with other GCC countries and expects completion of the country-wide roll out by the end of 2019. Value added tax will be unified between GCC countries at a rate of 5 per cent. across all sectors, with certain exceptions in each member state. Early estimates indicate that the value added tax regime will raise between U.S.\$359 million and U.S.\$572 million, depending on the policies adopted by the Government.

Budget revenues and expenditures

The following table summarises the execution of the Government budget for the periods indicated (*source*: in relation to 2016 data, the Bahrain Prospectus and in relation to 2017 and 2018 data, the Ministry of Finance and National Economy):

	2016		2017		2018
	<i>Budget</i>	<i>Actual</i>	<i>Budget</i>	<i>Actual⁽³⁾</i>	<i>Budget</i>
	<i>(BD millions, except where indicated)</i>				
Revenue	2,177.4	1,897.7	4,036.0	2,201.1	2,371.6
Oil and gas	1,757.4	1,436.3	1,725.5	1,652.5	1,796.2
Non-oil and gas	420.0	461.4	512.7	548.6	575.4
Expenditures	3,682.5	3,532.5	3,656.8	3,340.0	3,725.6
Recurrent expenditure ⁽¹⁾	3,217.4	3,121.6	3,229.7	3,182.1	3,330.6
Projects expenditure	465.1	411.0	464.6	352.1	395.0
Surplus/(deficit)	(1,505.1)	(1,634.5)	(1,418.4)	(1,333.3)	(1,354.1)
Transfer to reserve for sovereign and strategic projects and roll over ⁽²⁾	–	77.1	–	–	–
Budget deficit to GDP ratio (%)	13	14	10	9(4)	–

Notes:

- (1) Includes debt service.
- (2) These amounts include amounts approved by the Ministry of Finance to be carried over to the next financial year in respect of certain projects and represent the difference between amounts actually spent in respect of such projects and the amount budgeted.
- (3) Preliminary data.
- (4) For 2017, current GDP is estimated at U.S.\$34,656.9 million using the EDB's 2017 estimate for current GDP growth of 7.7 per cent.

Project expenditure

The following table shows the structure of the Government's project expenditure for the periods indicated (*source:* in relation to 2016 data, the Bahrain Prospectus and in relation to 2017 and 2018 data, the Ministry of Finance and National Economy):

	31 December		30 September	31 December
	2016	2017	2018	2018
	<i>Actual</i>	<i>Actual⁽¹⁾</i>	<i>Actual</i>	<i>Estimate</i>
	<i>(BD millions)</i>			
Infrastructure	208.8	170.4	80.1	164.3
Social services	62.9	47.1	19.0	37.0
Economic services	6.8	5.5	(2.7)	5.3
Administrative services.....	35.6	31.0	11.9	35.2
Others.....	96.5	97.9	47.5	85.2
Total	410.9	352.0	161.2	326.8

Notes:

- (1) Preliminary data.

The project expenditure is financed through the general budget. The actual projects expenditure for 2017 was U.S.\$880.5 million.

Project expenditure with Government funds principally consist of housing projects, road improvements and maintenance and construction of new roads, the improvement and development of storm-water and waste-water networks and construction and healthcare projects. A number of projects are funded from the GCC Development Fund, including housing, road and other major infrastructure projects.

Non-budget expenditures

In March 2011, the Foreign Ministers of the GCC announced the establishment of the GCC Development Fund to be provided as a grant and distributed between Bahrain and Oman, with Bahrain receiving

U.S.\$7.5 billion to be distributed over a ten-year period. GCC Development Fund proceeds are expected to be utilised towards the achievement of Vision 2030's developmental goals.

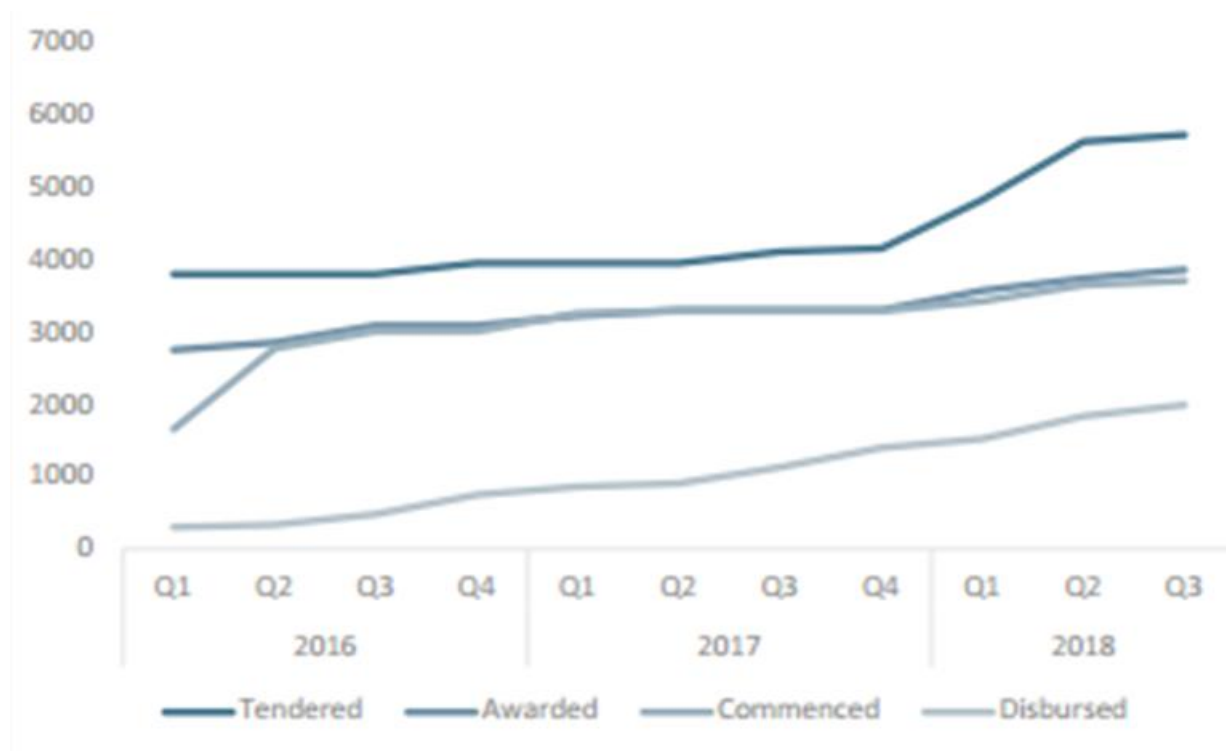
The Government has identified specific priority projects to be financed through the GCC Development Fund, in the following sectors:

	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018
	Saudi Arabia		Kuwait		UAE		Total	
	<i>(U.S.\$ millions)</i>							
Housing.....	442	442	996	996	990	990	2,428	2,428
Road and sewerage	758	758	470	470	210	210	1,438	1,438
Electricity and water	581	581	940	940	50	50	1,571	1,571
Airport	–	–	–	–	1,000	1,000	1,000	1,000
Health	58	59	–	–	150	150	208	219
Education	85	85	–	–	10	10	95	95
Social	–	–	62	62	–	–	62	62
Industry	–	–	32	32	–	–	32	32
Youth and sports	477	477	–	–	–	–	477	477
Others	–	–	–	–	90	90	90	90
To be allocated in next phase	99	88	–	–	–	–	99	88
Total.....	2,500	2,500	2,500	2,500	2,500	2,500	7,500	7,500

In 2017, the Government finalised projects in place with the Kuwait Fund and the Abu Dhabi Fund. The Government is coordinating with the Saudi Fund in respect of the U.S.\$99 million of funds remaining to be allocated.

As at 31 December 2015, 2016 and 2017, U.S.\$5,935 million, U.S.\$6,076 million and U.S.\$7,311 million, respectively, was allocated to projects from the GCC Development Fund. A further U.S.\$99 million will be allocated in a later phase and U.S.\$90 million is reserved for contingencies. These projects are in various stages (tendering, award, implementation) of progress. The chart set out below provides an overview of the status of the project pipeline supported by the GCC Development Fund for the periods indicated.

GCC Development Program Project Pipeline (U.S.\$ millions)⁽¹⁾



Source: Government sources.

Notes:

(1) Figures represent cumulative totals.

According to EDB – Bahrain Economic Quarterly September 2018 Report, as at 30 September 2018, a total amount of U.S.\$5,737 million had been tendered and U.S.\$3,869 million had been awarded in relation to the active project pipeline supported by the GCC Development Fund while projects amounting to U.S.\$3,718 million had commenced and U.S.\$1,996 million had been disbursed.

Fiscal Balance Programme

On 4 October 2018, the Government announced the details of its Fiscal Balance Programme for 2018-2022 which aims to achieve annual savings of BD800 million (U.S.\$2,127.7 million) and builds upon the Government's previously implemented fiscal consolidation policies. The Fiscal Balance Programme focuses on achieving further fiscal sustainability through the implementation of the following targeted initiatives:

- reducing Government operational expenditure through the establishment of six dedicated Government taskforces which will advise the Ministerial Committee for Financial Affairs and Rationalisation of Expenditure on specific ministerial expense requests across sectors including transport and communications;
- the introduction of voluntary retirement incentives for public sector employees, including by way of an end-of-service gratuity and one-time cash payments equal to five years' salary;
- rationalising the EWA's budget through the gradual reduction of electricity and water tariffs with the aim that the authority is financially self-sufficient by 2022;
- streamlining the distribution of cash subsidies to eligible citizens through a redirection of existing social programs to a single cash transfer to eligible households;

- establishing a central procurement unit to oversee the Governmental procurement process across ministries with the aim of improving the efficiency of Government expenditure and strengthening accountability across Government departments; and
- increasing non-oil fiscal revenues. This will be achieved, in part, by the planned implementation of a value added tax regime in Bahrain (as stated above).

Financial Support Agreement

The U.S.\$10 billion Financial Support Agreement pledging financial aid to the Government from the governments of Saudi Arabia, Kuwait and the United Arab Emirates was announced in June 2018 and signed in October 2018. The Financial Support Agreement is intended to assist the Government in reducing its fiscal deficit and stabilising the domestic economy while facilitating the Government's return to the international debt capital markets. The support pledged through the Financial Support Agreement is also intended to allow the Government to continue to meet its external financial obligations while implementing the Government's expenditure rationalisation initiatives and to dispel concerns around the potential for a de-pegging of the Bahraini Dinar from the U.S. dollar and any consequent currency devaluation.

Credit Rating

Bahrain has been assigned the following credit ratings: long-term foreign and local currency issuer default rating of BB- (stable outlook) by Fitch and long-term foreign and local currency sovereign credit rating of B+ (stable outlook) by Standard & Poor's.

On 1 December 2017, Standard & Poor's downgraded Bahrain's long-term foreign and local currency sovereign credit rating from BB- to B+ with a stable outlook, reflecting Standard & Poor's view that Bahrain's gross international reserves are low and have become increasingly volatile, increasing Bahrain's financing risks should access to external liquidity deteriorate sharply, as well as its continued fiscal dependency on oil revenues, rapid accumulation of government debt and unresolved tensions. Standard & Poor's affirmed this rating with a stable outlook on 30 November 2018 on the basis that, although Bahrain has received financial aid pursuant to the Financial Support Agreement, it remains unclear how closely the financial support package will be tied to progress on the Government's ambitious consolidation plan, which aims to balance the budget by 2022. Standard & Poor's expects the Government's budget balance to remain in deficit over the forecast period on which the November 2018 ratings are premised (due to Standard & Poor's view that some of the Government's budgetary consolidation measures might be less effective than planned).

In March 2018, Fitch downgraded Bahrain's long-term foreign and local currency issuer default rating from BB+ to BB- with a stable outlook, reflecting Fitch's view that the Government has not identified a clear medium-term strategy to tackle high deficits, the budget deficit is likely to narrow gradually, high and rising levels of debt and political constraints on consolidation required to enact a sharper fiscal adjustment. This was balanced by financial aid provided to Bahrain by other GCC members as well as Fitch's expectation that real GDP growth would remain resilient.

Political Framework

When HH Shaikh Isa bin Salman Al Khalifa died in March 1999, his son, HM King Hamad bin Isa Al Khalifa, came to power. The new Emir (as he was referred to at the time) embarked on a programme of political reform, which included the release of political prisoners, the return of exiles and the elimination of emergency laws and courts. He also introduced a new national charter, the NAC, which sought to establish a new national assembly (the **parliament**) that was to be part appointed and part elected. It also paved the way for Bahrain to become a constitutional monarchy and for HM King Hamad bin Isa Al Khalifa, to be proclaimed the king of Bahrain (the **King**).

Under the new Constitution adopted in February 2002 pursuant to the NAC, Bahrain is a hereditary constitutional monarchy with a democratic system of government which rests on a separation of the legislative, executive and judicial authorities. The legislative authority is vested in the King, and the parliament. Executive authority is vested in the King, together with the Council of Ministers, which is the collective decision-making body of the Government, comprising all Government ministers. Ministerial and judicial rulings are issued in the King's name. The Constitution also declares the state religion to be Islam, with Islamic Shariah as a principal source for legislation. Any amendments to the Constitution require the King's approval.

Under the Constitution, the King, is entitled to appoint the prime minister and other ministers. He is the supreme commander of the Bahrain Defence Force and has power to conclude treaties on behalf of Bahrain.

The Council of Ministers, appointed by the King, is headed by the prime minister, HRH Prince Khalifa bin Salman Al Khalifa (the **Prime Minister**). The Prime Minister is responsible for much of the day-to-day running of the country. In accordance with the Constitution, HRH Prince Salman bin Hamad Al Khalifa (the King's eldest son), is the Crown Prince, commander-in-chief of the Bahrain Defence Force and the First Deputy Prime Minister.

The National Assembly (parliament)

The Constitution provides for a National Assembly, or the parliament, comprised of two chambers: (i) the consultative council or upper house; and (ii) the chamber of deputies or the lower house. Each of the two houses of the parliament is comprised of 40 members. The members of the lower house are elected in national elections, whereas the members of the upper house are appointed by the King. Members of the upper and lower houses serve four-year terms.

Legislation is initiated in the lower house of parliament and draft laws are considered by the upper house of parliament, which has the power to comment on, and suggest alterations to, proposed legislation. New laws may only be passed when approved by both chambers and ratified by the King.

Judicial Framework

The judiciary is enshrined under the Constitution as an independent and separate branch of the Government. The Constitution is upheld by the Constitutional Court, independent of both the executive and legislative branches. The Minister of Justice oversees the administration of the court system, but does not exercise a judicial function.

Bahrain has a dual-court system, consisting of civil courts and Shariah courts. The Shariah courts deal only with personal law matters relating to Muslims, such as marriage, divorce and inheritance. These courts do not have jurisdiction over commercial matters. The civil court system consists of courts of first instance, which deal with all civil, commercial and criminal matters. The court of appeal hears all appeals and is the highest appellate authority in the country on issues of facts. The Court of Cassation is the final appellate authority and decides on issues of law. The Constitutional Court decides on the constitutionality of laws and regulations enacted by the legislature.

International Relations

GCC

Bahrain's principal objective in its foreign policy has traditionally been to maintain cordial relations with its neighbouring countries.

The GCC was established in Abu Dhabi on 25 May 1981. The original union comprised of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE. The unified economic agreement among the countries of the GCC was signed on 11 November 1981 in Abu Dhabi.

Customs and monetary union

The creation of a customs union began in 2003 and was completed and fully operational in January 2015. In January 2008, the six GCC countries declared the creation of a common market in the GCC region. In January 2015, the common market was further integrated, allowing full equality among GCC citizens to work in the government and private sectors, social insurance and retirement coverage, real estate ownership, capital movement, access to education, health and other social services in all member states. However, some barriers remained in the free movement of goods and services. The coordination of taxation systems, accounting standards, and civil legislation is currently in progress. The interoperability of professional qualifications, insurance certificates and identity documents is also underway.

Bahrain, Kuwait, Qatar and Saudi Arabia approved a monetary union pact in December 2009. As a consequence of the monetary union pact, a GCC Monetary Council (the **GCC MC**) was established in Riyadh, holding its inaugural meeting in March 2010. The GCC MC's primary strategic aim is to provide the foundation, and act as a precursor institution, for the establishment of a GCC Central Bank (the **GCC CB**). The GCC MC has set itself the primary task of consulting with GCC member countries in order to draft the legal and organisational framework that will underpin the GCC CB.

Security

A key objective of the GCC is to develop a comprehensive security strategy for the GCC countries. In 1984, the GCC decided to create a joint military force of 10,000 soldiers divided into two brigades, called the Peninsula Shield Force, based in Saudi Arabia near the Kuwaiti and Iraqi borders. The Peninsula Shield Force is composed of infantry, armour, artillery and combat support elements from each of the GCC countries.

In September 2014, GCC members Bahrain, Qatar, Saudi Arabia and the UAE, as well as pending member Jordan, commenced cooperative air operations against ISIL in Syria. GCC countries have also pledged other support, including provision of operating training facilities for Syrian rebels in Saudi Arabia and allowing the use of their airbases by other countries fighting ISIL.

Bahrain, along with other Arab states, is currently participating in the Saudi Arabian led intervention in Yemen, which began in 2015 in response to requests for assistance from the Yemeni government and is on-going.

Qatar

On 5 June 2017, three GCC countries (Bahrain, Saudi Arabia and the UAE) as well as Egypt and Yemen and a number of African countries severed diplomatic ties with Qatar, cut trade and transport links and imposed sanctions on evidence grounded on Qatar's support to terrorist and extremist organisations, including Qatar's meddling in other countries' internal affairs. Measures taken by the affected countries included the closure of land, sea and air links to Qatar, and requesting certain Qatari officials, residents and visitors to leave the territories of the affected countries. In order to resolve the situation, the affected countries have expressed a willingness to discuss a restoration of ties and the lifting of the other boycott measures on the condition that Qatar commits to agreements it signed, cease support of terrorist and extremist organisations and stop interfering in other countries' affairs. In November 2017, Bahrain introduced visa requirements for Qatari nationals and residents. In December 2017, Bahrain, Saudi Arabia and the UAE attended the annual GCC summit amid the on-going dispute with Qatar. Diplomatic efforts to end the crisis are being undertaken by Kuwait and several other countries.

Other countries

Bahrain has bilateral trade and economic agreements with over 40 countries, including China, France, India and the United Kingdom. Bahrain has free trade agreements with the United States, Singapore and EFTA (comprised of Iceland, Liechtenstein, Norway and Switzerland) and duty-free access with the 17 Arab states party to the Greater Arab Free Trade Agreement (GAFTA). Bahrain has also signed: (i)

promotion and protection of investment agreements with 34 countries; (ii) avoidance of double taxation treaties with 41 countries; (iii) reciprocal exemption of international air transport agreements with 6 countries; and (iv) economic, trade and technical cooperation agreements with 32 countries.

International organisations

Bahrain is a founding member of the World Trade Organisation and is a member of many other international organisations including the UN, the IMF, the World Bank Group (International Bank for Reconstruction and Development and the International Finance Corporation), the International Centre for Settlement of Investment Disputes, the International Labour Organisation, the Multilateral Investment Guarantee Agency, the Organisation of Islamic Cooperation, the Global Forum on Transparency and Exchange of Information for Tax Purposes, and a member of a number of regional organisations such as the Arab League, the Arab Monetary Fund, the Organisation of Arab Petroleum Exporting Countries, the Islamic Development Bank and the GCC. In addition, a number of international programmes, including UN Environment, the United Nations Information Centre and the Arab International Center for Entrepreneurship & Investment have their regional offices in Bahrain while the Middle East and North Africa Financial Action Task Force have their headquarters in Bahrain.

Vision 2030

In October 2008, pursuant to the initiative of the Crown Prince, the Government approved a long-term economic vision document (**Vision 2030**). Vision 2030's objective is to further diversify Bahrain's economy into a globally competitive economy led by private enterprise and predominantly based on high productivity sectors, including finance, services, logistics, tourism and industry. The economic vision sets out the aspirations for Bahrain's economy, government and society in accordance with the guiding principles of sustainability, competitiveness and fairness. The key priority areas of Vision 2030 are taken into account during each budget process and the Government continues to implement its objectives. As part of Vision 2030, the Government sets out four-year programmes that are approved by the legislative authority. The Government, with the support of the EDB, chaired by HRH Prince Salman bin Hamad Al Khalifa, Crown Prince, monitors the progress of initiatives agreed under the four-year programme.

EDB

The EDB is the economic development agency in Bahrain. The EDB currently targets five priority sectors for investment promotion: (i) financial services; (ii) manufacturing; (iii) logistics; (iv) information and communications technology; and (v) tourism. These are all areas aligned with Bahrain's strengths, including human capital, high quality regulation and connectivity. These sectors offer investable assets and products and are seen as having high potential in several sub-segments for above-trend growth. In order to facilitate the implementation of its strategy, the EDB has expanded its international footprint through a presence in 10 markets.

International companies have recently been investing and expanding in Bahrain, and in recent years, a number of banks have opened branches in Bahrain, including, Bank of Khartoum, Cairo Amman Bank, JS Bank and Turkiye Finans. In May 2017, MasterCard opened its first office in Bahrain and the Armada Group began construction on a regional logistics centre in the Bahrain Logistics Zone, which is estimated to cost U.S.\$50 million and is expected to create more than 400 jobs. In one of the largest projects of its type to date, Amazon Web Services is establishing its first Middle East data centre in Bahrain in 2019, which is expected to create 100 new jobs over the period 2019-2021 and estimated to cost approximately U.S.\$384 million. The hospitality and fintech sectors are each expected to grow with the arrival of new international hotel operators and continuing investments by regional start-ups and more established companies. On-going investment in the hospitality sector includes 14 strategic projects with an aggregate expected value of U.S.\$13 billion, which are initially expected to create 300 new jobs, with more jobs expected to be created as the larger hotel projects get underway.

RELATIONSHIP WITH THE GOVERNMENT

The Government has minority and majority stakes in a wide range of enterprises in diverse sectors. With the aim of improving the performance and governance of, and transparency with regard to, these state-owned assets, the Government grouped its assets under the control of two wholly state-owned holding companies. NogaHolding was established to hold and manage the Government's oil and gas assets, while Mumtalakat was established by Royal Decree No. 64 of 2006 dated 25 June 2006 to hold and manage the Government's stakes in non-oil and gas commercial assets.

Strategic Importance

Mumtalakat was created to align and implement the execution of the Government's initiatives to improve governance and transparency, pursue value-enhancing opportunities, and help achieve operational excellence for its key state-owned commercial assets. As at the date of this Base Prospectus, Mumtalakat owns stakes in strategic commercial assets of Bahrain, such as Alba and Batelco, which are significant contributors to the Bahraini economy and directly and indirectly support many other businesses in the country and the region (see further "*Overview of Bahrain – Economy*" below).

In addition, Mumtalakat is a key contributor to the economic and development vision of the Government. For instance, in line with Vision 2030, Mumtalakat has over the years, established a number of new Bahrain companies in different sectors (education, consumer services and tourism amongst others) in addition to attracting foreign capital for the establishment of joint ventures in the country. In 2018, Mumtalakat invested in the U.S.\$100 million Al Waha fund of funds to support start-ups in Bahrain and the Middle East.

The Government may bring new investment proposals or projects to Mumtalakat for consideration. If the proposed investment or project meets Mumtalakat financial and investment criteria, Mumtalakat may consider it and assume an ownership interest or develop the project (see further "*Description of Mumtalakat – Planning and Investment Process*").

Given Mumtalakat's role in the development of the Government's economic plans, Mumtalakat has a strong relationship with the Government, which is outlined further below.

Contributions from, and Dividends to, the Government

As key strategic assets of the Government, key portfolio companies of the Group have received liquidity support from the Government. For instance, in 2010, the Government provided Gulf Air with BD400.0 million (U.S.\$1,063.8 million) of financial support in the form of an equity injection. According to Gulf Air's financial statements, the Government provided an additional BD185.0 million (U.S.\$492.0 million) in 2012, BD95.0 million (U.S.\$252.7 million) in 2013, BD75.0 million (U.S.\$199.5 million) in 2014, BD65.0 million (U.S.\$172.9 million) in 2015, BD55.0 million (U.S.\$146.3 million) in 2016, BD30.0 million (U.S.\$79.8 million) in 2017 and BD30.0 million (U.S.\$79.8 million) in 2018 to Gulf Air as government grants to support the airline in repaying its liabilities, financing interim working capital requirements and settling certain capital expenditure payments (see also "*Risk Factors – Risks Relating to Mumtalakat's Business – The Group is exposed to liquidity risks and financing risks*" and "*Risk Factors – Risks Relating to Mumtalakat's Business – The Group is subject to risks associated with Gulf Air's operating challenges, restructuring plans and the Government's decision on Gulf Air's strategy and funding going forward*" above and "*Description of Mumtalakat – Key Mumtalakat Assets – Description of select portfolio companies*" below).

Furthermore, Bahrain Flour Mills, a public shareholding company whose principal activities are the production of wheat flour and related products, received Government support of BD8.2 million (U.S.\$21.8 million) in 2016, BD7.8 million (U.S.\$20.7 million) in 2017 and BD9.6 million (U.S.\$25.5 million) in 2018.

Although Mumtalakat has not paid any dividends to the Government prior to 2017, it paid dividends of BD20.0 million (U.S.\$53.2 million) in 2018 against the commitment of BD10.0 million (U.S.\$26.6 million) each for the fiscal years, 2017 and 2018. The Board may recommend further dividends to the Government in the future. In addition, Mumtalakat may be expected to contribute to the Government's budget (see also "*Risk Factors – Risks Relating to Mumtalakat's Business – Payment of dividends to the Government*" above).

Government Oversight

Members of Mumtalakat's Board are appointed to four-year terms by resolution of HRH Prince Salman bin Hamad Al Khalifa, the Crown Prince and Chairman of the EDB. The Board is composed of both public sector individuals, including key government officials, and private sector individuals. HE Shaikh Khalid bin Abdulla Al Khalifa, Deputy Prime Minister, is the Chairman of the Board. Other key government officials that serve on the Board include HE Shaikh Mohamed bin Isa Al Khalifa (Political and Economic Adviser to the Court of the Crown Prince), HE Kamal Ahmed (Minister of Transportation and Telecommunications), HE Zayed Alzayani (Minister of Industry, Commerce and Tourism) and Khaled Omar Alromaihi (Chief Executive of the EDB).

Mumtalakat is subject to oversight by the NAO which conducts regular reviews of the ministries, various governmental entities, public authorities and companies of which the Government owns 50 per cent. or more shares. After finalising and consolidating the results of its various audits, the NAO submits its report annually to HM King Hamad bin Isa Al Khalifa and both upper and lower houses of parliament. Mumtalakat is also subject to oversight by the Tender Board of Bahrain, whose main role is to oversee the procurement practices and processes of governmental bodies and companies that are wholly-owned by the Government, to ensure transparency, fair competition, efficiency and the best use of public funds.

As an entity which is wholly-owned by the Government, Mumtalakat is obligated to submit periodic performance and financial reports to the Government. Pursuant to the provisions of the Bahrain constitution (the **Constitution**) and parliament regulations, Mumtalakat is also required to answer all parliamentary queries and to provide any appropriate supporting material. Any queries related to Mumtalakat or any of its portfolio companies that are raised by the parliament are submitted through the Minister of Parliamentary Affairs who presents the queries to the Minister of Transportation and Telecommunications who, in turn, is appointed to represent Mumtalakat within the legislative body of the Government. The Minister of Transportation and Telecommunications may then request that the management of Mumtalakat provide responses and supporting material.

Although created by a Royal Decree and wholly-owned by the Government, Mumtalakat is incorporated as a commercial entity and is therefore subject to the commercial laws of Bahrain, including those laws and processes relating to insolvency. Mumtalakat is regulated by the Ministry of Industry and Commerce as a private commercial company in Bahrain.

Pursuant to the Commercial Companies Law, Mumtalakat is required to hold annual general shareholder meetings to approve its financial statements.

DESCRIPTION OF MUMTALAKAT

Overview

Mumtalakat, the sovereign wealth fund of Bahrain, is a closed joint stock company incorporated and existing pursuant to the Bahrain Commercial Companies Law of 2001 (as amended, the **Commercial Companies Law**) with Commercial Registration Number 61579-1. It was established by the Royal Decree No. 64 of 2006 dated 25 June 2006 as an independent holding company for the Government's non-oil and gas stakes in key commercial assets. Mumtalakat's mandate has evolved over the years and it now operates as a global investment business focused on achieving sustainable financial returns in line with the Government vision. As at the date of this Base Prospectus, Mumtalakat is wholly-owned by the Government. Mumtalakat's registered address is Building No. 551, Flat 401, Road 4612, Manama/Sea Front 346, P.O. Box 820, Manama, Bahrain and its telephone number is +973 1756 1111.

History

Mumtalakat was created to align and implement the execution of the Government's initiatives to improve governance and transparency, pursue value-enhancing opportunities, and help achieve operational excellence for its key state-owned commercial assets. Effective 29 June 2006, the Government transferred its interest in 29 commercial assets to Mumtalakat, including its interest in Alba, Batelco, Edamah, Gulf Air and NBB. As at the date of this Base Prospectus, Mumtalakat owns stakes in strategic commercial assets of Bahrain, which are significant contributors to the Bahraini economy and directly and indirectly support many other businesses in the country and the region.

As at 30 June 2018, Mumtalakat held minority and majority stakes in over 65 companies across various sectors, including real estate and tourism, financial services, industrial manufacturing, food and agriculture, logistics, aviation, education, consumer services, healthcare, telecommunications, media and technology and general services, in 13 countries in the MENA region, Europe and North America. Of these, 31 companies operate in Bahrain. The portfolio also includes assets in six publicly listed companies. These are Alba, Bahrain Flour Mills, Batelco, Delmon Poultry Company, Gulf Hotels Group and NBB.

Mumtalakat's portfolio value represents the value of investments in subsidiary companies (where Mumtalakat exercises control over the relevant subsidiary company and, generally, has a greater than 50 per cent. shareholding), associate companies (in which Mumtalakat has a 20-50 per cent. shareholding), joint ventures, other investment companies (in which Mumtalakat has a less than 20 per cent. shareholding) and the value of investments in third party managed funds. The value of investments in subsidiary companies, associate companies and joint ventures is calculated based on equity accounting. Under the equity accounting methodology, the value of an investment is calculated at the original cost of the investment plus further investments, Mumtalakat's share of profit and other comprehensive income of the subsidiary/associate company less Mumtalakat's share of loss, dividend received and share of other comprehensive loss of the subsidiary/associate company and impairment losses. The value of other investment companies is based on their fair market value as at the reporting date.

As at 30 June 2018, the value of Mumtalakat's total direct equity investments was BD3,170.2 million (U.S.\$8,431.4 million) while, as at the same date, Mumtalakat's portfolio included BD114.0 million (U.S.\$303.2 million) of investments deployed in third party managed funds. Mumtalakat's total portfolio value as at 30 June 2018 was BD3,284.2 million (U.S.\$8,734.6 million).

Credit Ratings

Mumtalakat has been assigned a long-term foreign and local currency issuer credit rating of B+ (stable outlook) by Standard & Poor's and a long-term issuer default rating of BB- (stable outlook) by Fitch . Mumtalakat's ratings mirror the ratings of Bahrain.

Strategy

Mumtalakat's investment strategy is to deliver its shareholder expectation of achieving sustainable financial returns while contributing to the development and diversification of the Bahrain economy. Mumtalakat seeks to achieve its strategy through the below measures:

- *Identification and realisation of value-enhancing initiatives at its portfolio companies*

A core element of Mumtalakat's strategy is to enhance value at its existing portfolio companies. Mumtalakat is an active shareholder and exerts its influence through its nominee directors appointed to the boards of its portfolio companies. Through this governance structure, Mumtalakat has supported significant value-enhancing initiatives across its portfolio of investments and expects to continue supporting such initiatives. Implementation of past Mumtalakat supported initiatives has led to operational restructurings, appointments of key management personnel, and refinements of strategy and growth plans at select portfolio companies. To ensure Mumtalakat's nominee directors are properly equipped to execute their duties at the boards of companies, Mumtalakat undertakes proactive steps to train and educate its representatives.

Proactive management of Mumtalakat's portfolio underpins the investment strategy in relation to Group assets. Cognisant of the variances between companies in terms of performance and surrounding conditions, Mumtalakat established a Special Situations Unit in 2018 to help monitor and address underperformance with timely interventions and strategic solutions in order to mitigate losses. The Special Situations Unit forecasts any breaches of financial covenants and seeks to enhance business models in support of stronger performance and material value.

Mumtalakat continuously evaluates opportunities for partial or complete exits of direct investments within its portfolio. When considering a partial exit, Mumtalakat aims to maintain a significant minority interest in its portfolio companies to maintain board representation. In certain strategic assets, Mumtalakat may continue to hold a majority interest for the foreseeable future.

- *Further investments for the growth and diversification of the portfolio across international markets in new and existing sectors*

Mumtalakat seeks direct investments in companies with established track records of growth and profitability that demonstrate potential for continued expansion. Mumtalakat is primarily focused on investing in companies that are market leaders with strong management teams and effective governance systems. Mumtalakat's typical approach to such investments is to establish a significant minority interest in the equity of the company and to secure board representation and appropriate shareholder rights. Such investments are primarily driven on the basis of expected financial returns. Within Bahrain, Mumtalakat also seeks opportunities to develop companies and projects that take advantage of Bahrain's appeal and strong positioning as a regional business hub and a popular tourism destination. In such opportunities, Mumtalakat's involvement is subject to critical analysis of commercial feasibility and Mumtalakat's requirement to generate appropriate financial returns on its investment.

Over time, Mumtalakat seeks to diversify its portfolio through active portfolio management activities, including investments in new assets and exits from existing investments. Given its significant stakes in several large companies, Mumtalakat is particularly exposed to certain sectors such as aluminium, aviation, telecommunications and financial services. A fundamental element of Mumtalakat's long-term strategy with respect to its direct investments portfolio is to diversify its exposures across geographies, sectors and companies. From a company with assets in 29 companies, 97 per cent. of which were based in Bahrain and the MENA region in 2006, Mumtalakat has diversified into a company which, as at 30 June 2018, had 65 per cent. of its investments in the MENA region, 27 per cent. in Europe and 8 per cent. in the United States of America.

Planning and Investment Process

A robust planning and investment process is in place for all investment activities. New acquisitions or planned divestments undergo a rigorous due diligence process, including financial, commercial, legal and tax due diligence which is normally undertaken in coordination with external professional firms with requisite expertise in the industry and jurisdiction.

All contemplated investment transactions are reviewed by the MIC, which comprises the Chief Executive Officer, the Chief Investment Officer, the Chief Operating Officer and the Chief Finance Officer. The MIC meets on a weekly basis or as often as required.

The risk manager serves as an advisor to the MIC and supports both management and the Board in ensuring that key investment risks are consistently identified and adequately addressed in the investment process.

Investment transactions that are recommended by the MIC are reviewed by the BIC. The BIC is a Board committee made up of independent non-executive directors, responsible for reviewing and approving investment and divestment opportunities as well as monitoring credit risk and other pertinent investment related issues. The BIC meets at least four times a year or as often as needed.

The Board is the ultimate decision-making body at Mumtalakat, overseeing and monitoring major investment decisions and activities.

Investment proposals considered by the Board may be originated internally through the investment department or proposed to Mumtalakat by third parties such as the Government or joint venture partners. Prospective financial returns from an investment proposal are considered relative to the capital deployed, the respective industry and the risks associated with the investment.

In reviewing investment or divestment proposals, the MIC assess the proposed transactions in the context of Mumtalakat's portfolio and where applicable, the wider economic impact.

The progress of any investment made is monitored and evaluated by the investment department's responsible teams under the leadership of the Chief Investment Officer, which report to the MIC and, when applicable, to the Board. Once an investment has been made, the degree of on-going involvement varies significantly, depending on the nature of the investment.

Recent International Investments

With a focus on diversification, Mumtalakat completed a number of international investments in prior years. Some notable investments in different sectors are summarised in the table below:

Asset	Description	Date of Investment	Location	Sector
PRO Unlimited Global Solutions	Software service provider	16 October 2014	United States	Business services
The Cranemere Group Limited	Investment fund	20 March 2015	United Kingdom	Financial services
Nobel Learning Communities	Education provider	22 April 2015	United States	Education
Russian portfolio	Portfolio of diverse assets	Since 2016	Mainly Russia	Several sectors

U.S. real estate portfolio	Portfolio of commercial real estate assets	Since 2016	United States	Real estate
Asturiana de Aleaciones S.A (Aleastur)	Manufacturer of aluminium grain refiners and master alloys	2 March 2016	Spain	Industrial and manufacturing
KOS Group	Healthcare provider	1 August 2016	Italy	Healthcare
Axtmann Aviation Holding	Private aviation provider	29 May 2017	Germany	Aviation

PRO Unlimited Global Solutions

Headquartered in Florida, United States, PRO Unlimited Global Solutions is a leading provider of software and services that enable large enterprises to more effectively manage their temporary workforce. The company was founded in 1991 and has pioneered the concept of contingent workforce management.

The Cranemere Group Limited

Headquartered in the United Kingdom, The Cranemere Group Limited was established in 2012 as a holding company and investment firm. Its mission is to invest and build a diversified group of high-quality businesses in the United States and Europe.

Nobel Learning Communities

Headquartered in Pennsylvania, United States, Nobel Learning Communities is a diversified provider of preschool, K-12 and online education with a network of over 200 schools in operation throughout the United States. Although Mumtalakat divested its shares in Nobel Learning in August 2018, it first invested in the company in 2015 as part of a partnership with Investcorp, an alternative investments manager. Throughout this period of approximately three years, Nobel Learning's network of schools grew considerably with 34 new schools added through acquisitions and greenfield development.

Russian portfolio

Through the co-investment programme with the Russian Direct Investment Fund (RDIF) in collaboration with other GCC sovereign wealth funds, a range of investments have been made in different sectors in Russia including consumer services, logistics and transport infrastructure.

U.S. real estate portfolio

Mumtalakat has purchased a range of commercial properties alongside leading co-investment partners since 2016. Located in Arizona, Texas and North Carolina, the properties comprise office buildings in growing business districts.

Aleastur

Headquartered in Spain, Aleastur is a manufacturer of aluminium grain refiners and master alloys. The company was founded in 1985 and has grown to be one of the leading industry players globally. Aleastur has a diverse distribution base of over 700 customers across 70 countries with distribution centres located in the United States, The Netherlands, China and Turkey.

KOS Group

Headquartered in Italy, the KOS Group is a leading European healthcare group focused on long-term care and rehabilitation services. The company was founded in 2003 and has over 76 dedicated facilities including nursing homes, rehabilitation centres, hospitals and mental health clinics. The KOS Group has an international presence through its diagnostics and cancer care services unit in the United Kingdom and India.

Axtmann Aviation Holding

Headquartered in Germany, Axtmann Aviation Holding is one of the largest private aviation operators in Europe. The group was founded in 1986 and operates from its base in Albrecht Dürer International Airport in Nuremberg. Axtmann Aviation Holding offers continuous worldwide air ambulance services staffed with qualified medical personnel and state of the art medical technology.

Key Bahrain-based Portfolio Companies

Providing approximately 14,000 direct employment opportunities in strategic assets ranging from the country's shipyard to its national airline and airport, examples of the importance of Mumtalakat's assets to the economy and people of Bahrain include:

- Alba, Batelco and Gulf Air are significant employers of Bahrainis and have historically served as important institutions for the development and advancement of the local workforce;
- Alba, representing over 45 years of Bahrain's industrial history, was the first aluminium smelter in the Middle East and continues to be one of the largest producers of primary aluminium in the world;
- Batelco's origins as the national telecommunications provider has helped it maintain a leading market share in an increasingly deregulated market and it remains Bahrain's only fully integrated telecommunications provider (being the only operator licensed to build and maintain fixed telecommunications infrastructure in Bahrain);
- Gulf Air is the national flagship carrier and serves the critical role of connecting Bahrain to key financial centres of Europe and other important regional destinations;
- NBB was established around 60 years ago as Bahrain's first locally owned bank and is one of Bahrain's leading providers of retail and commercial banking services with the largest network of branches and automated teller machines (ATMs) in Bahrain; and
- the Formula 1 race track operated by Bahrain International Circuit Company S.P.C. was the first to bring Grand Prix racing to the Middle East and continues to enjoy its position in the Formula 1 calendar, having successfully hosted the 2018 Grand Prix race in Bahrain on 6-8 April 2018.

Key Mumtalakat Assets

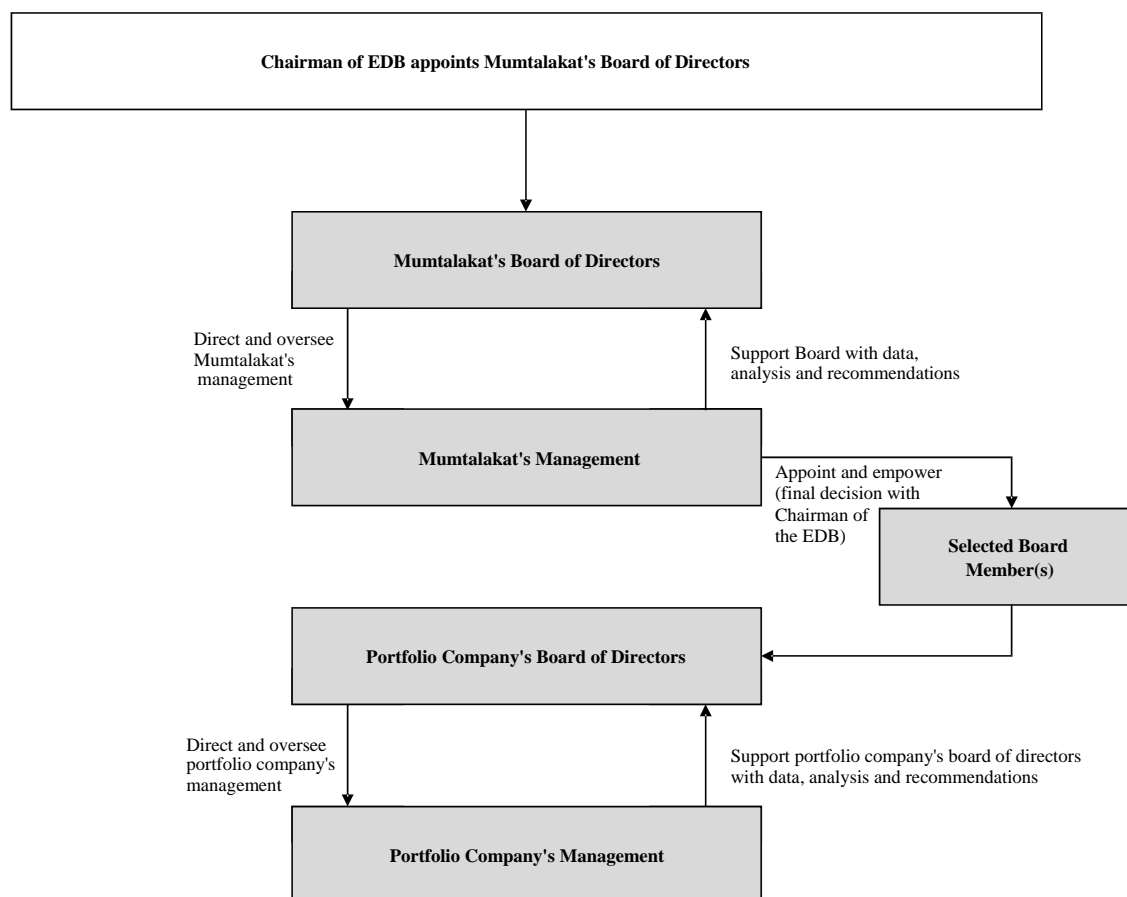
The chart below highlights Mumtalakat's key portfolio companies and ownership as at 30 June 2018:

Subsidiaries	Associates/Joint Ventures	Other Key Investments
<p>Food and agriculture</p> <p>Bahrain Flour Mills (65.7%)</p> <p>Khairat Al Bahrain 1 Holding S.P.C. (100.0%) (through which Mumtalakat has 50.0% ownership of Murooj Al Bahrain Co. Ltd)</p> <p>Khairat Al Bahrain 2 Holding SP.C. (100.0%) (through which Mumtalakat has 50.0% ownership of Murooj Al Bahrain Co. Ltd)</p> <p>General Poultry Company B.S.C.(c) (100.0%)</p>	<p>Food and agriculture</p> <p>ASMAK B.S.C (32.8%)</p> <p>Bahrain Livestock Company B.S.C.(c) (27.5%)</p> <p>Financial services</p> <p>NBB (44.2%)</p> <p>Noor Investment Holding Co (29.1%)</p>	<p>Financial Services</p> <p>Gulf Investment Corporation (16.7%)</p> <p>Food and agriculture</p> <p>Delmon Poultry Company (15.0%)</p>
<p>Consumer services</p> <p>Bahrain Institute for Pearls and Gemstones (Danat) B.S.C.(c) (100.0%)</p> <p>Bahrain National Dredging Company B.S.C.(c) (100.0%)</p> <p>MAZAD B.S.C.(c) (100.0%)</p>	<p>Industrial and manufacturing</p> <p>Asturiana de Aleaciones S.A (Aleastur) (49.0%)</p> <p>Gulf Aluminium Rolling Mill Co. B.S.C. (c) (37.29%)</p> <p>Envirogen Technologies (24.0%)</p> <p>Mueller Middle East B.S.C.(c) (30.0%)</p>	
<p>Industrial and manufacturing</p> <p>Alba (69.38%)</p> <p>Arab Shipbuilding and Repair Yard Company (96.9%)</p> <p>McLaren (59.3%)</p> <p>H Aldhaen Boats W.L.L (100.0%)</p>	<p>Aviation</p> <p>Axtmann Aviation Holding (30.0%)</p>	
<p>Transport and aviation</p> <p>Gulf Air Holding Company (100.0%) (through which Mumtalakat has 100.0% ownership of Bahrain Airport Company S.P.C., Gulf Air, Gulf Handling Company SPC and Gulf Aviation Academy B.S.C.(c))</p> <p>Hawar Aviation Company B.S.C.(c) (100.0%)</p>	<p>Real estate/tourism</p> <p>Al Sahel Resort B.S.C.(c) (68.4%)</p> <p>RegMum JV LLP (49.0%)</p> <p>Development Drive Morrisville, LLC (49.1%)</p> <p>Durrat Khaleej Al Bahrain Company B.S.C.(c) (50.0%)</p> <p>Gulf Hotels Group (25.5%)</p> <p>Marina Durrat Al Bahrain for Development Real Estate Co. W.L.L. (20.0%)</p>	
<p>Real estate/tourism</p> <p>Bahrain International Circuit Company S.P.C (100.0%)</p> <p>Durrat Asset II S.P.C (100.0%)</p> <p>Durrat Asset IV S.P.C (100.0%)</p> <p>Edamah (100.0%)</p> <p>Southern Tourism Company B.S.C.(c) (73.5%)</p>	<p>Technology, media and telecommunications</p> <p>Batelco (36.67% direct holding and 6.67% indirect holding through Hawar Holding Company)</p> <p>Hawar Holding Company (33.3%)</p>	

Oversight of portfolio companies

As a shareholder, Mumtalakat is focused on implementing effective corporate governance practices at the holding company and encourages each of its portfolio companies to do the same. Mumtalakat's oversight and influence over a portfolio company is exercised through its representative directors appointed to the portfolio company's board of directors. Thus, the level of Mumtalakat's influence over a given portfolio company is generally determined by the level of Mumtalakat's ownership stake in that portfolio company. Mumtalakat selects nominees for directorships of the portfolio companies and submits the nominations to HRH Prince Salman bin Hamad Al Khalifa, the crown prince, the commander-in-chief of the Bahrain Defence Force and the First Deputy Prime Minister (the **Crown Prince**) (who is also Chairman of the EDB), who makes the final decision on their appointment.

Below is a diagram illustrating the governance model used by Mumtalakat and the Government to maintain effective oversight of Mumtalakat's portfolio companies:



Mumtalakat is focused on managing its business in a manner that is sustainable on a stand-alone basis, without requiring the Government to provide funding support. Similarly, Mumtalakat's expectation is that directors and management teams of each of its portfolio companies run their respective companies in an independent manner based on long-term sustainable operating and financial practices. Each portfolio company is expected to manage and access its own funding needs on a non-recourse basis to Mumtalakat and the Government. By instilling such principles in its portfolio companies, Mumtalakat believes that directors and managements of these companies will be encouraged to embark on commercially viable and attractive projects that are likely to attract third party funding support.

Description of select portfolio companies

As at 30 June 2018, Mumtalakat's portfolio of direct investments included equity stakes of varying amounts in over 65 companies.

Alba, Batelco, Edamah, Gulf Air, McLaren and NBB together represented 69.7 per cent. of Mumtalakat's total direct investments portfolio value as at 30 June 2018 (compared to 71.1 per cent. as at 31 December 2017).

Unless otherwise stated, the financial information for Alba, Batelco, Edamah, Gulf Air, McLaren and NBB presented in this Base Prospectus has been extracted from the respective financial statements of such portfolio companies except the financial information relating to the financial year ended 31 December 2015, which has been extracted from the comparative data of the financial statements for the year ended 31 December 2016 of such portfolio companies. Save for the financial statements of McLaren, such financial statements are prepared in accordance with IFRS. McLaren's financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Select subsidiary companies

Alba, Edamah, Gulf Air and McLaren, as subsidiary companies, are consolidated into the Group's consolidated financial statements and represented 92.7 per cent. of the Group's consolidated revenues for the six month period ended 30 June 2018 (compared to 96.3 per cent. of the Group's consolidated revenues for the financial year ended 31 December 2017).

Alba

Alba was incorporated in 1971 to construct, own and operate Bahrain's primary aluminium smelter. Alba commenced commercial operations in May 1971 as the first aluminium smelter in the Middle East and has, as at the date of this Base Prospectus, grown into one of the leading producers of primary aluminium in the world. In November 2010, Mumtalakat conducted an offering of a portion of its ordinary shares in Alba (in this section, the **Offering**). The Offering enabled Mumtalakat as selling shareholder to sell ordinary shares (in this section, **Ordinary Shares**) that it owned in Alba, representing 10.0 per cent. of Alba's total issued, fully paid and outstanding share capital. The Ordinary Shares are listed on the Bahrain Bourse and global depositary receipts representing such Ordinary Shares are listed on the London Stock Exchange. As a consequence of the Offering, Mumtalakat holds a 69.38 per cent. equity shareholding in Alba as at the date of this Base Prospectus while Saudi Basics Industries Corporation (**SABIC**) holds a 20.62 per cent. equity shareholding. Mumtalakat is represented directly by six directors on Alba's nine-member board of directors. As at 30 June 2018, Alba's market capitalisation was BD901.7 million (U.S.\$2,398.1 million).

Alba operates an aluminium smelter, power plant and a coke calcining plant located in Askar, Bahrain. In the six month period ended 30 June 2018, Alba produced over 511,480 metric tonnes of aluminium (compared to over 453,395 metric tonnes in the six months ended 30 June 2017 and over 981,016 metric tonnes in the financial year ended 31 December 2017).

- *Business:* Alba's industrial facilities consist of four on-site captive power stations, five metal production lines, two cast houses, a carbon plant, a coke calcining plant and a marine terminal. Alba also possesses its own waste management system and water treatment plant. Since 1971, Alba has continuously produced a variety of aluminium products, including extrusion billet, liquid metal, rolling slab, foundry alloy, standard ingot and tee ingot. Alba's facilities have consistently produced aluminium with a purity level exceeding global standards. The uninterrupted expansion of Alba's facilities over 40 years has led to a vertical integration of the production process and a diversification of Alba's product mix.

In addition, Alba's in-house coke calcining plant allows for a high degree of control over the supply and quality of calcined petroleum coke (**CPC**) used in the aluminium production process. Its calcining plant can produce approximately 550,000 metric tonnes of CPC each year, allowing it to meet its needs and sell the surplus. Alba also has four on-site captive power stations with a total installed capacity of 2.2 **gigawatts** that meets all of the electricity requirements of Alba's smelters. The gas required for the production of power is supplied by state-owned Bapco, which operates Bahrain's gas fields and is wholly-owned by Nogaholding. All of Alba's other raw

material imports (primarily alumina ore) are supplied by sea through its marine terminal, located approximately 10 kilometres from its smelter. Production exports are delivered to Shaikh Khalifa bin Salman Port (**KBSP**), as well as by road via the King Fahad Causeway.

As a result of its captive power generation facilities and low-cost gas from Bapco, Alba is among one of the lowest-cost facilities in the aluminium industry. As competition increases, Alba's low-cost operating model represents a key competitive advantage. Alba's regional competitors include Sohar Aluminium in Oman, Qatalum in Qatar, Emirates Global Aluminium in the UAE and Ma'aden in Saudi Arabia.

Under the terms of a quota agreement between Alba and its then shareholders dated 3 September 1990, as most recently amended on 29 July 2003 (the **Quota Agreement**), the current shareholders of Alba are entitled to take a proportion of Alba's aluminium production equal to their respective percentage ownership in Alba at a specified price. Conversely, Alba may require its shareholders to purchase their proportional share of aluminium from Alba at the same specified price. Before 2008, ALBA Marketing (**ALMA**) which was an unregistered joint venture between Mumtalakat and SABIC Industrial Investment Company (**SIIC**), marketed and sold Mumtalakat's and SIIC's aluminium quotas to third-party buyers on their behalf. In 2008, in order to commercialise Alba's operations, ALMA's operations were integrated with Alba's. As a result of this integration, and notwithstanding contractual arrangements with shareholders, the current practice involves Alba selling and marketing aluminium to third parties on a commercial basis. In 2010, Mumtalakat (but not SIIC) waived its right to purchase its share of the aluminium production on an on-going basis. However, Alba retains the right to require Mumtalakat to purchase its proportional share of aluminium. Alba may take further steps to commercialise its operations in respect of the Quota Agreement in the future.

In June 2015, Alba's board of directors approved the Line 6 expansion project and, in November 2015, Alba secured the natural gas supply for the project. Line 6 commenced production on 13 December 2018 and is expected to add approximately 540,000 tonnes to Alba's existing capacity of 960,000 tonnes of aluminium per year. The capital expenditure estimate for constructing Line 6, replacing and expanding the power capacity of the existing power plant facilities, is approximately U.S.\$3 billion, which Alba financed without Government assistance.

In October 2016, Alba entered into a U.S.\$1.5 billion syndicated term-loan facility, comprising a conventional facility and an Islamic facility. In April 2017, Alba secured commitments of approximately U.S.\$700 million from export credit agency supported facilities. In April 2018, Alba successfully closed the first part of its EUR 204.5 million export credit agency supported facilities. Alba secured the final part of the export credit financing tranche in the last quarter of 2018. Facility drawdowns are in accordance with set schedules.

Alba's core customer base is comprised of downstream manufacturers primarily located in the MENA region requiring aluminium inputs. Bahrain-based Midal Cables Ltd. (**Midal Cables**) is Alba's largest customer, representing approximately 25 per cent. of Alba's sales in 2017 (compared to approximately 24 per cent. in 2016). Midal Cables manufactures aluminium-based products, including aluminium rod, electrical conductors, cold-rolled coil and sheet, aluminium circles and aluminium foil. Alba's site is in close proximity to the principal manufacturing operations of Midal Cables.

- *Strategy:* Alba's strategy is focused around maintaining and expanding its position as one of the world's leading low-cost smelters.

Aluminium prices have been rising since 2015, reaching a five-year record high level in December 2017. The increase in price was predominantly driven by the production cut in China as a result of its "Air Pollution Prevention and Control Action Plan" aimed to reduce pollution. In the first half of 2018, prices maintained levels above U.S.\$2,000 per tonne, reflecting uncertainties in the market regarding U.S. aluminium tariffs and sanctions on Rusal.

- *Selected financial information:* For the six month period ended 30 June 2018, Alba's revenues were BD465.2 million (U.S.\$1,237.2 million), representing an increase of BD95.5 million (U.S.\$254.0 million), or 25.8 per cent., compared to BD369.7 million (U.S.\$983.2 million) for the six month period ended 30 June 2017. This increase was primarily attributable to higher LME prices of aluminium and higher production volumes.

For the six month period ended 30 June 2018, Alba's net profit was BD63.0 million (U.S.\$167.6 million), representing an increase of BD19.7 million (U.S.\$52.4 million), or 45.5 per cent., compared to BD43.3 million (U.S.\$115.2 million) for the six month period ended 30 June 2017. This increase was primarily attributable to higher LME prices of aluminium and higher production volumes.

For the financial year ended 31 December 2017, Alba's revenues were BD857.8 million (U.S.\$2,281.4 million), representing an increase of BD188.0 million (U.S.\$500.0 million), or 28.1 per cent., compared to BD669.8 million (U.S.\$1,781.4 million) for the financial year ended 31 December 2016. This increase was primarily attributable to higher LME prices of aluminium and higher production volumes.

For the financial year ended 31 December 2017, Alba's net profit was BD92.5 million (U.S.\$246.0 million), representing an increase of BD44.1 million (U.S.\$117.3 million), or 91.1 per cent., compared to BD48.4 million (U.S.\$128.7 million) for the financial year ended 31 December 2016. This increase was primarily attributable to higher LME prices, higher production volumes and Alba's cost cutting programmes.

For the financial year ended 31 December 2016, Alba's revenues were BD669.8 million (U.S.\$1,781.4 million), representing a decrease of BD96.9 million (U.S.\$257.7 million), or 12.6 per cent., compared to BD766.7 million (U.S.\$2,039.1 million) for the financial year ended 31 December 2015. This decrease was primarily attributable to lower LME prices of aluminium as well as LME aluminium premium prices.

For the financial year ended 31 December 2016, Alba's net profit was BD48.4 million (U.S.\$128.7 million), representing a decrease of BD11.6 million (U.S.\$30.9 million), or 19.3 per cent., compared to BD60.0 million (U.S.\$159.6 million) for the financial year ended 31 December 2015. This decrease was primarily attributable to lower LME prices of aluminium as well as LME aluminium premium prices.

In the six month period ended 30 June 2018, average LME aluminium price was U.S.\$2,209 per metric tonne. In 2017, 2016 and 2015, average LME aluminium prices were U.S.\$1,968, U.S.\$1,604 and U.S.\$1,663, respectively, per metric tonne. Aluminium is Alba's main variable cost, representing on average approximately 30 per cent. of total costs, and its price is linked to the official prices on the LME. The rest of Alba's costs are mainly fixed.

Alba's total assets were BD1,952.1 million (U.S.\$5,191.8 million), BD1,686.2 million (U.S.\$4,484.6 million), BD1,173.7 million (U.S.\$3,121.5 million) and BD1,182.4 million (U.S.\$3,144.7 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively, while its total liabilities were BD872.9 million (U.S.\$2,321.5 million), BD633.8 million (U.S.\$1,685.6 million), BD185.6 million (U.S.\$493.6 million) and BD234.6 million (U.S.\$623.9 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively.

Alba's total shareholders' equity was BD1,079.1 million (U.S.\$2,869.9 million), BD1,052.4 million (U.S.\$2,798.9 million), BD988.1 million (U.S.\$2,627.9 million) and BD947.8 million (U.S.\$2,520.7 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively.

Alba is one of the largest employers in Bahrain. As at 30 June 2018, it had approximately 3,120 employees of which approximately 84 per cent. were Bahraini nationals.

- *Summary of selected financial information:*

Statement of income data

For the six month periods ended 30 June 2018 and 30 June 2017:

	Six month period ended 30 June			
	2018		2017	
	BD	U.S.\$	BD	U.S.\$
	(in millions)			
Revenue	465.2	1,237.2	369.7	983.2
Net profit for the period	63.0	167.6	43.3	115.2

For the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015:

	Year ended 31 December					
	2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	(in millions)					
Revenue	857.8	2,281.4	669.8	1,781.4	766.7	2,039.1
Net profit for the year	92.5	246.0	48.4	128.7	60.0	159.6

Statement of financial position data

	As at 30 June		As at 31 December					
	2018		2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	(in millions)							
Total assets	1,952.1	5,191.8	1,686.2	4,484.6	1,173.7	3,121.5	1,182.4	3,144.7
Total liabilities	872.9	2,321.5	633.8	1,685.6	185.6	493.6	234.6	623.9
Total equity	1,079.1	2,869.9	1,052.4	2,798.9	988.1	2,627.9	947.8	2,520.7

Edamah

Edamah, which was incorporated in Bahrain in 2006, is an investment property company with an extensive portfolio of commercial properties in Bahrain. As at the date of this Base Prospectus, it is a wholly-owned subsidiary of Mumtalakat and is principally involved in leasing out property under operating leases and is also involved in the development and management of property. Edamah has one of the largest land banks in Bahrain with approximately 5.6 million square metres of land as at 30 June 2018. This represents the cornerstone for development of real estate opportunities for Mumtalakat.

The Government has transferred substantial land and properties to Edamah as part of its overall strategy to effect more commercial management of these assets and to ensure proper development and utilisation of such commercial assets. The total investment property value on Edamah's balance sheet was BD173.4 million (U.S.\$461.2 million) as at 30 June 2018 (compared to BD172.5 million (U.S.\$458.8 million) as at 31 December 2017). Edamah retains economic control over all of the land and property on its balance sheet and continues to receive rental income from various properties.

- *Business:* Edamah's main source of revenue comes from the rental income of the properties it owns. Many of its leased properties are under long-term lease contracts with very favourable terms to the lessees. Material new projects to develop Edamah's extensive land bank will be subject to long lead times for feasibility assessment, planning and construction. Edamah has also concentrated on improving its core business of property management including improving its capabilities, exploring future development opportunities and securing new lands from the Government that have potential for future development.

- *Strategy:* Edamah's strategic plan is to manage existing real estate properties efficiently and effectively and to develop new, commercially viable real estate projects in Bahrain that will attract international investors and operators as partners.
- *Selected financial information:* For the six month period ended 30 June 2018, Edamah's revenues were BD1.8 million (U.S.\$4.8 million), representing an increase of BD0.3 million (U.S.\$0.8 million), or 20.2 per cent., compared to BD1.5 million (U.S.\$4.0 million) for the six month period ended 30 June 2017. This increase was primarily attributable to an increase in property rental income during the period.

For the six month period ended 30 June 2018, Edamah's net profit was BD0.1 million (U.S.\$0.3 million), representing a decrease of BD0.1 million (U.S.\$0.3 million), or 50.0 per cent., compared to BD0.2 million (U.S.\$0.5 million) for the six month period ended 30 June 2017. This decrease was primarily attributable to higher impairment losses recognised during the period.

For the financial year ended 31 December 2017, Edamah's revenues were BD3.1 million (U.S.\$8.2 million), representing an increase of BD0.4 million (U.S.\$1.1 million), or 14.8 per cent., compared to BD2.7 million (U.S.\$7.2 million) for the financial year ended 31 December 2016. This increase was primarily attributable to an increase in property rental income during the year. For the financial year ended 31 December 2015, Edamah's net losses amounted to BD22.4 million (U.S.\$59.6 million) resulting from impairment losses taken during the year on its investment properties.

For the financial year ended 31 December 2017, Edamah's net profit was BD1.3 million (U.S.\$3.5 million), representing an increase of BD0.4 million (U.S.\$1.1 million), or 44.4 per cent., compared to BD0.9 million (U.S.\$2.4 million) for the financial year ended 31 December 2016. This increase was primarily attributable to a gain on the sale of an investment property during the year.

For the financial year ended 31 December 2016, Edamah's revenues were BD2.7 million (U.S.\$7.2 million), compared to BD2.6 million (U.S.\$6.9 million) for the financial year ended 31 December 2015, representing a marginal increase of BD0.1 million (U.S.\$0.3 million) or 3.8 per cent.

For the financial year ended 31 December 2016, Edamah's net profit was BD0.9 million (U.S.\$2.4 million), compared to net loss of BD22.4 million (U.S.\$59.6 million) for the financial year ended 31 December 2015. The net loss for the year ended 31 December 2015 arose due to impairment loss of BD24.5 million (U.S.\$65.2 million) recognised on investment properties.

Edamah's total assets were BD188.8 million (U.S.\$502.1 million), BD189.7 million (U.S.\$504.5 million), BD138.1 million (U.S.\$367.3 million) and BD129.0 million (U.S.\$343.1 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively, while its total liabilities were BD4.0 million (U.S.\$10.6 million), BD5.0 million (U.S.\$13.3 million), BD4.4 million (U.S.\$11.7 million) and BD3.5 million (U.S.\$9.3 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively.

Edamah's total shareholders' equity was BD184.8 million (U.S.\$491.5 million), BD184.7 million (U.S.\$491.2 million), BD133.7 million (U.S.\$355.6 million) and BD125.5 million (U.S.\$333.8 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively.

As at 30 June 2018, Edamah had approximately 60 employees of which approximately 80 per cent. were Bahraini nationals.

- *Summary of selected financial information:*

Statement of income data

For the six month periods ended 30 June 2018 and 30 June 2017:

	Six month period ended 30 June			
	2018		2017	
	BD	U.S.\$	BD	U.S.\$
	(in millions)			
Revenue	1.8	4.8	1.5	4.0
Net profit for the period.....	0.1	0.3	0.2	0.5

For the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015:

	Year ended 31 December					
	2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	(in millions)					
Revenue	3.1	8.2	2.7	7.2	2.6	6.9
Net profit/(loss) for the year	1.3	3.5	0.9	2.4	(22.4)	(59.6)

Statement of financial position data

	As at 30 June		As at 31 December					
	2018		2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	(in millions)							
Total assets.....	188.8	502.1	189.7	504.5	138.1	367.3	129.0	343.1
Total liabilities	4.0	10.6	5.0	13.3	4.4	11.7	3.5	9.3
Total equity	184.8	491.5	184.7	491.2	133.7	355.6	125.5	333.8

Gulf Air

Established in 1950, Gulf Air is the national carrier of Bahrain, connecting traffic from Europe and Asia to the Middle East and targeting regional traffic within the Middle East. Gulf Air's principal activity during its more than 60-year operating history has been the transportation of passengers and freight on a scheduled basis. Until 2002, Gulf Air was jointly owned by Bahrain, Qatar, Abu Dhabi and Oman, which had originally established Gulf Air as a GCC carrier. In November 2007, Mumtalakat became the sole shareholder of Gulf Air, as each of the other GCC countries gradually established their own respective airline carriers and withdrew from their respective ownership in Gulf Air. As at the date of this Base Prospectus, Mumtalakat owns 100 per cent. of Gulf Air Holding Company, which, in turn, owns 100 per cent. of Gulf Air.

- *Business:* Gulf Air is a full-service carrier with operations to over 40 destinations in the Middle East, Asia, Europe and Africa. Gulf Air, in addition to its high-quality service standards, has launched several innovative service concepts including the Sky Chef and Sky Nanny. As a carrier in the Middle East, Gulf Air is also well positioned geographically to benefit from passenger traffic and cargo traffic growth in the region. Gulf Air opened five new destinations in 2018 with plans to open three more by the end of 2018. As at 30 June 2018, Gulf Air operated a fleet of 31 aircraft comprising 23 narrow-bodied and eight wide-bodied aircraft.
- *Change in business strategy:* Since January 2012, Mumtalakat and the Government have been working closely with Gulf Air and its strategic advisers to review and reformulate Gulf Air's strategy by focusing on cost reduction and rationalisation of business operations. A business plan detailing the restructuring of Gulf Air's operations, along with a detailed assessment of the Government funding required to achieve the restructuring, was considered, analysed and presented to the Government and to a parliamentary sub-committee. The plan received final

approval pursuant to Royal Decree No. 54 of 2012 and the Government began transferring funds to the airline to support its restructuring. According to Gulf Air's financial statements, since the commencement of the restructuring programme, the amount of Government funding provided to Gulf Air totalled BD535.0 million (U.S.\$1,422.9 million) as at 31 December 2018. Gulf Air received BD185.0 million (U.S.\$492.0 million) in 2012, BD95.0 million (U.S.\$252.7 million) in 2013, BD75.0 million (U.S.\$199.5 million) in 2014, BD65.0 million (U.S.\$172.9 million) in 2015, BD55.0 million (U.S.\$146.3 million) in 2016, BD30.0 million (U.S.\$79.8 million) in 2017 and BD30.0 million (U.S.\$79.8 million) in 2018 from the Government (see further "*Description of Mumtalakat – Key Mumtalakat Assets – Description of select portfolio companies*"). The decrease in funding was in line with Gulf Air's improved performance that saw a trend of decreasing operating losses for Gulf Air from 2012 to 2015. However, 2016 and 2017 were particularly tough years for the airline industry in the region whereby sustained overcapacity in long-haul routes and increasing competition from low-cost rivals in short haul routes affected full service airlines. Gulf Air recorded a net loss of U.S.\$217.0 million in 2017 (compared to a net profit of U.S.\$10.6 million during 2016 and U.S.\$176.6 million during 2015). For the six month period ended 30 June 2018, Gulf Air's net loss was BD16.4 million (U.S.\$43.6 million) compared to BD42.0 million (U.S.\$111.7 million) for the six month period ended 30 June 2017.

In November 2012, a board of directors and an executive restructuring committee were appointed at Gulf Air to manage the implementation of its restructuring. The restructuring plan involved a rationalisation of the airline's route network, a reduction in its fleet by retiring/returning surplus aircraft, and an improvement in its in-flight product offering. Gulf Air has stopped operations to some destinations in Europe, the Indian Subcontinent and the Far East which were highly unprofitable. In May 2017, a new board of directors was appointed to oversee Gulf Air.

In January 2016, Gulf Air ordered 29 Airbus A320 aircrafts (including 17 A321neo and 12 A320neo aircrafts) and 10 B787 aircraft from Boeing, in line with its goals to modernise its fleet to more fuel-efficient aircrafts. Delivery of these aircrafts commenced in 2018. The airline has taken delivery of the first three B787 aircraft in 2018. Additional A320neo aircraft deliveries are scheduled for 2018 while the A321neo deliveries will start in 2020.

- *Selected financial information:* The Gulf Air financial data provided herein has been prepared on the basis that Gulf Air continues as an on-going concern.

For the six month period ended 30 June 2018, Gulf Air's revenues were BD158.7 million (U.S.\$422.1 million), representing an increase of BD16.9 million (U.S.\$44.9 million), or 11.9 per cent., compared to BD141.8 million (U.S.\$377.1 million) for the six month period ended 30 June 2017. This increase was primarily due to increase in fares and opening of new destinations.

For the six month period ended 30 June 2018, Gulf Air's net loss was BD16.4 million (U.S.\$43.6 million), representing a decrease of BD26.5million (U.S.\$70.5 million), or 61.8 per cent., compared to BD42.9 million (U.S.\$114.1 million) for the six month period ended 30 June 2017. This decrease was primarily attributable to the write back of certain related party payables and reduction in loss from operations.

For the financial year ended 31 December 2017, Gulf Air's revenues were BD306.8 million (U.S.\$816.0 million), which was relatively unchanged compared to BD300.1 million (U.S.\$798.1 million) for the financial year ended 31 December 2016.

For the financial year ended 31 December 2017, Gulf Air's net loss was BD81.6million (U.S.\$217.0 million), representing a change of BD85.6million (U.S.\$227.7 million) compared to net profit of BD4.0 million (U.S.\$10.6 million) for the financial year ended 31 December 2016. This change was primarily attributable to the intensifying price war among the airlines in the GCC region during the year, increase in fuel costs and a reduction in Government subsidy.

For the financial year ended 31 December 2016, Gulf Air's revenues were BD300.1 million (U.S.\$798.1 million), representing a decrease of BD46.2 million (U.S.\$122.9 million), or 12.5 per cent., compared to BD346.3 million (U.S.\$921.0 million) for the financial year ended 31 December 2015. This decrease was primarily attributable to yield compression due to increased competition from full service/low cost carriers in the region and lower seat factor (representing occupancy of flights).

For the financial year ended 31 December 2016, Gulf Air's net profit was BD4.0 million (U.S.\$10.6 million), representing a decrease of BD62.4 million (U.S.\$166.0 million), or 94.0 per cent., compared to BD66.4 million (U.S.\$176.6 million) for the financial year ended 31 December 2015. This decrease was primarily attributable to the reduction in revenue (with costs mostly remaining flat during the year).

Gulf Air's total assets were BD560.4 million (U.S.\$1,490.4 million), BD615.7 million (U.S.\$1,637.5 million), BD520.6 million (U.S.\$1,384.6 million) and BD528.3 million (U.S.\$1,405.1 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively, while its total liabilities were BD538.5 million (U.S.\$1,432.2 million), BD577.4 million (U.S.\$1,535.6 million), BD401.7 million (U.S.\$1,068.4 million) and BD413.3 million (U.S.\$1,099.2 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively.

Gulf Air's total shareholders' equity was BD21.9 million (U.S.\$58.2 million), BD38.3 million (U.S.\$101.9 million), BD119.0 million (U.S.\$316.5 million) and BD115.0 million (U.S.\$305.9 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively.

Gulf Air continues to be a key employer committed to developing a national workforce of aviation professionals. As at 30 June 2018, Gulf Air had approximately 3,000 employees of which approximately 62 per cent. (excluding staff in Gulf Air offices outside Bahrain) were Bahraini nationals.

- *Summary of selected financial information:*

Statement of income data

For the six month periods ended 30 June 2018 and 30 June 2017:

	Six month period ended 30 June			
	2018		2017	
	BD	U.S.\$	BD	U.S.\$
	<i>(in millions)</i>			
Revenue	158.7	422.1	141.8	377.1
Net loss for the period.....	(16.4)	(43.6)	(42.9)	(114.1)

For the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015:

	Year ended 31 December					
	2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	<i>(in millions)</i>					
Revenue	306.8	816.0	300.1	798.1	346.3	921.0
Net (loss)/profit for the year.....	(81.6)	(217.0)	4.0	10.6	66.4	176.6

Statement of financial position data

	<u>As at 30 June</u>		<u>As at 31 December</u>					
	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>	
	<u>BD</u>	<u>U.S.\$</u>	<u>BD</u>	<u>U.S.\$</u>	<u>BD</u>	<u>U.S.\$</u>	<u>BD</u>	<u>U.S.\$</u>
	<i>(in millions)</i>							
Total assets...	560.4	1,490.4	615.7	1,637.5	520.6	1,384.6	528.3	1,405.1
Total liabilities.....	538.5	1,432.2	577.4	1,535.6	401.7	1,068.4	413.3	1,099.2
Total equity...	21.9	58.2	38.3	101.9	119.0	316.5	115.0	305.9

McLaren

Based in the United Kingdom, McLaren is a unique global luxury and technology brand which focuses on a diverse range of premium-end markets served through three divisions: automotive, racing and applied technologies.

- *Reorganisation:* Prior to 20 July 2017, McLaren Automotive Limited was separate from McLaren Technology Group Limited, with the latter containing the racing and the applied technologies divisions (although McLaren Automotive Limited and McLaren Technology Group had a common shareholding and heritage). On 20 July 2017, McLaren Automotive Limited and McLaren Technology Group were combined into McLaren Group Limited, with the shareholders of both companies taking ownership of the new company. This restructuring also allowed a long-term shareholder of McLaren to exit the shareholder group.

Prior to this restructuring, Mumtalakat held a 55.5 per cent. stake in McLaren Automotive Limited and a 50 per cent. stake in McLaren Technology Group Limited. Following the restructuring, Mumtalakat held a 62.6 per cent. stake in McLaren which was reduced to 59.3 per cent. as at 30 June 2018. As at the date of this Base Prospectus, Mumtalakat holds a 57.7 per cent. stake in McLaren, making Mumtalakat the largest shareholder of McLaren.

- *Business:* Founded in 1963, McLaren's racing division has been one of the most successful teams in motorsport history. Since its foundation, the team has won 20 Formula 1 World Championships, three Indianapolis 500 (Indy 500) and the Le Mans 24 Hour race.

The automotive division first produced the iconic McLaren F1 road car in 1993 and launched its new series of products in 2011 starting with the McLaren 12C. As at the date of this Base Prospectus, the automotive division has a range of luxury high performance cars across three defined product families, namely, the "Sports Series", the "Super Series" and the "Ultimate Series". The automotive division has also produced other ground-breaking cars such as the McLaren P1™ and the McLaren 675LT.

The applied technologies division focuses on the application of McLaren's technological know-how in a wide variety of fields and is the sole supplier of electronic control units to Formula 1, National Association for Stock Car Auto Racing (NASCAR), Indycar and Formula E. The applied technologies division has expanded to focus on three further market segments comprising automotive, public transport and health. The division's successes in these segments include taking its know-how in high speed data transmission from Formula 1 and applying it to public transport (where the division has worked with several train operating companies to design, test and introduce new systems that enable reliable high speed Wi-Fi on trains). As at the date of this Base Prospectus, the applied technologies division is also working with new entrants to the connected and autonomous vehicle sectors.

- *Selected financial information:* The financial statements of McLaren are presented in GBP. The amounts in GBP are converted to U.S.\$ as follows: (i) statement of financial position data as at 31 December 2017 and 31 December 2016 is translated at closing exchange rates of GBP 1 = U.S.\$1.3513 and GBP 1 = U.S.\$1.2340, respectively; and (ii) statement of income data for the

financial years ended 31 December 2017 and 31 December 2016 are translated at average rates of GBP 1 = U.S.\$1.2887 and GBP 1 = U.S.\$1.3558, respectively.

McLaren does not prepare interim condensed financial statements.

For the financial year ended 31 December 2017, McLaren's revenues were GBP 871.3 million (U.S.\$1,122.8 million) representing a decrease of GBP 27.1 million (U.S.\$34.9 million), or 3.0 per cent., compared to GBP 898.4 million (U.S.\$1,218.1 million) for the financial year ended 31 December 2016. This decrease was primarily attributable to certain one-off planned disruptions to production during the year, including the implementation of enterprise resource planning system and launches of the second generation of the super series and the sports series spider.

For the financial year ended 31 December 2017, McLaren had a net loss of GBP 66.0 million (U.S.\$85.1 million), representing a change of GBP 67.3 million (U.S.\$86.7 million) compared to a net profit of GBP 1.3 million (U.S.\$1.8 million) for the financial year ended 31 December 2016. This change was primarily due the effect of one-off planned disruptions to production during the year and one-off costs related to refinancing activities.

McLaren's total assets were GBP 1,340.7 million (U.S.\$1,811.7 million) and GBP 1,094.8 million (U.S.\$1,351.0 million) as at 31 December 2017 and 2016, respectively, while its total liabilities were GBP 1,192.2 million (U.S.\$1,611.0 million) and GBP 632.6 million (U.S.\$780.6 million) as at 31 December 2017 and 2016, respectively.

McLaren's total shareholders' equity was GBP 148.5 million (U.S.\$200.7 million) and GBP 462.3 million (U.S.\$570.5 million) as at 31 December 2017 and 2016, respectively.

Given the reorganisation of McLaren in July 2017, the financial information for the financial year ended 31 December 2015 is not comparable to the financial information for the financial years ended 31 December 2016 or 2017.

- *Summary of selected financial information:*

Statement of income data

	Year ended 31 December			
	2017		2016	
	GBP	U.S.\$	GBP	U.S.\$
	<i>(in millions)</i>			
Revenue.....	871.3	1,122.8	898.4	1,218.1
Net (loss)/profit for the year.....	(66.0)	(85.1)	1.3	1.8

Statement of financial position data

	As at 31 December			
	2017		2016	
	GBP	U.S.\$	GBP	U.S.\$
	<i>(in millions)</i>			
Total assets	1,340.7	1,811.7	1,094.8	1,351.0
Total liabilities	1,192.2	1,611.0	632.6	780.6
Total equity	148.5	200.7	462.3	570.5

Select associate companies

Batelco and NBB are Mumtalakat's two most material investments in associate companies on the basis of contribution to Mumtalakat's direct investments portfolio value. Together they represented 79.5 per cent.

of the Group's consolidated investment in associates as at 30 June 2018 (compared to 79.6 per cent. as at 31 December 2017).

Batelco

Batelco was established in Bahrain in 1981 and is the leading integrated telecommunications provider in Bahrain. As at the date of this Base Prospectus, Mumtalakat directly owns 36.67 per cent. of Batelco's shares while Amber Holding Company (**Amber**) (a 100 per cent. subsidiary of Hawar Holding Company) holds 20 per cent. in Batelco. Mumtalakat holds a 33.33 per cent. stake in Hawar Holding Company (which represents 6.67 per cent. indirect shareholding of Mumtalakat in Batelco) and the Social Insurance Organisation (**SIO**) holds 66.67 per cent. of the shareholding in Hawar Holding Company (which represents 13.33 indirect shareholding of SIO in Batelco). Accordingly, as at the date of this Base Prospectus, the Government, directly or indirectly, including through Mumtalakat, owns 77.0 per cent. of Batelco's shares. The remaining shares are held by other financial and commercial organisations and various GCC citizens. Mumtalakat is represented directly by three directors on Batelco's ten member board of directors. Amber also has two seats on Batelco's board of directors. Batelco is listed on the Bahrain Bourse. As at 30 June 2018, Batelco's market capitalisation was BD402.5 million (U.S.\$1,070.5 million).

- *Business:* As Bahrain's only fully integrated telecommunications provider, Batelco's comprehensive service offering includes mobile services, international roaming, high speed internet connections, Wi-Fi, virtual private network (VPN) management, data communications, information and telecommunications services and national/international fixed line services to residential, business and Government customers. Batelco is also the only operator licensed to build and maintain fixed telecommunications infrastructure in Bahrain. It provides wholesale services to other licensed operations under a regulated access and pricing regime.

Batelco has subsidiaries and joint ventures in Egypt, Jordan, Kuwait, Saudi Arabia and Yemen. Batelco's overseas operations contributed 60 per cent. of its gross revenues for the six month period ended 30 June 2018 (compared to 59 per cent. for the financial year ended 31 December 2017 and 59 per cent. for the six month period ended 30 June 2017).

- *Strategy:* Batelco seeks to retain its domestic market share, with a focus on its higher value customers, continue to enhance its network and services and grow its non-core revenue in response to competitive and regulatory pressures. Until 2002, Batelco was the sole provider of telecommunications services in Bahrain. Following the implementation of the law passed on 5 November 2002 permitting competition in the telecommunications sector in Bahrain, Zain Bahrain B.S.C.(c) (**Zain**) and Saudi Telecommunications Company (**STC**) (through its "Viva" operations) have commenced mobile telephone operations in Bahrain. The entry into the Bahrain market of the third player, Viva, led to the erosion of Batelco's market share and average revenue per user, owing to the limited size and high penetration of the Bahrain market. However, Batelco remains the country's leading telecommunications provider, with a market share of approximately 35.4 per cent. as at 30 June 2018. Batelco also intends to continue the geographic expansion of its business, focusing on mobile and broadband services in particular. As one of the leading telecommunications operators of Bahrain's high quality, modern telecommunications system, Batelco, in turn, is strategic to the long-term economic development of Bahrain.
- *Selected financial information:* For the six month period ended 30 June 2018, Batelco's revenues were BD200.0 million (U.S.\$531.9 million), representing an increase of BD18.9 million (U.S.\$50.3 million), or 10.4 per cent., compared to BD181.1 million (U.S.\$481.6 million) for the six month period ended 30 June 2017. This increase was primarily attributable to strong performance by Batelco Bahrain and its subsidiary in Jordan. In Bahrain, revenues were boosted by improvements in mobile and broadband services and in Jordan, revenues were up in all revenue streams with notable growth in digital services and fixed broadband.

For the six month period ended 30 June 2018, Batelco's net profit was BD33.9 million (U.S.\$90.2 million), representing an increase of BD10.2 million (U.S.\$27.1 million), or 43.0 per cent., compared to BD23.7 million (U.S.\$63.0 million) for the six month period ended 30 June 2017. This increase was primarily attributable to growth in revenue and earnings before interest, tax, depreciation and amortisation margin.

For the financial year ended 31 December 2017, Batelco's revenues were BD379.4 million (U.S.\$1,009.0 million), which was relatively unchanged compared to BD367.1 million (U.S.\$976.3 million) for the financial year ended 31 December 2016.

For the financial year ended 31 December 2017, Batelco's net profit was BD13.2 million (U.S.\$35.1 million), representing a decrease of BD32.9 million (U.S.\$87.5 million), or 71.4 per cent., compared to BD46.1 million (U.S.\$122.6 million) for the financial year ended 31 December 2016. This decrease was primarily attributable to non-cash impairment losses relating to Batelco's subsidiary in Jordan and its investment in Yemen.

For the financial year ended 31 December 2016, Batelco's revenues were BD367.1 million (U.S.\$976.3 million), which was relatively unchanged compared to BD372.4 million (U.S.\$990.4 million) for the financial year ended 31 December 2015.

For the financial year ended 31 December 2016, Batelco's net profit was BD46.1 million (U.S.\$122.6 million), representing a decrease of BD10.7 million (U.S.\$28.5 million), or 18.8 per cent., compared to BD56.8 million (U.S.\$151.1 million) for the financial year ended 31 December 2015. This decrease was primarily attributable to a goodwill impairment loss in respect of Batelco's subsidiary in Jordan.

Batelco's total assets were BD913.2 million (U.S.\$2,428.7 million), BD932.5 million (U.S.\$2,480.1 million), BD950.9 million (U.S.\$2,529.0 million) and BD1,005.0 million (U.S.\$2,672.9 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively, while its total liabilities were BD412.1 million (U.S.\$1,096.0 million), BD430.0 million (U.S.\$1,143.6 million), BD414.0 million (U.S.\$1,101.1 million) and BD431.9 million (U.S.\$1,148.7 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively.

Batelco's total shareholders' equity was BD501.1 million (U.S.\$1,332.7 million), BD502.5 million (U.S.\$1,336.4 million), BD537.0 million (U.S.\$1,428.2 million) and BD573.1 million (U.S.\$1,524.2 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively.

Batelco is a significant employer in Bahrain. As at 30 June 2018, Batelco had approximately 1,180 employees of which approximately 90 per cent. were Bahraini nationals.

- *Summary of selected financial information:*

Statement of income data

For the six month periods ended 30 June 2018 and 30 June 2017:

	Six month period ended 30 June			
	2018		2017	
	BD	U.S.\$	BD	U.S.\$
	<i>(in millions)</i>			
Revenue	200.0	531.9	181.1	481.6
Net profit for the period	33.9	90.2	23.7	63.0

For the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015:

	Year ended 31 December					
	2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	(in millions)					
Revenue.....	379.4	1,009.0	367.1	976.3	372.4	990.4
Net profit/(loss) for the year	13.2	35.1	46.1	122.6	56.8	151.1

Statement of financial position data

	As at 30 June		As at 31 December					
	2018		2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	(in millions)							
Total assets	913.2	2,428.7	932.5	2,480.1	950.9	2,529.0	1,005.0	2,672.9
Total liabilities	412.1	1,096.0	430.0	1,143.6	414.0	1,101.1	431.9	1,148.7
Total equity	501.1	1,332.7	502.5	1,336.4	537.0	1,428.2	573.1	1,524.2

NBB

Established in 1957 as Bahrain's first locally owned bank, NBB has grown steadily to become one of the country's leading providers of retail and commercial banking services. NBB is publicly listed on the Bahrain Bourse and, as at the date of this Base Prospectus, is owned 39.1 per cent. by the public, 10.9 per cent. by SIO and 44.2 per cent. by Mumtalakat. Mumtalakat's and SIO's combined ownership gives the Government a controlling stake in NBB. Mumtalakat is represented by four directors on NBB's eleven-member board of directors. As at 30 June 2018, NBB's market capitalisation was BD855.8 million (U.S.\$2,276.1 million).

- **Business:** NBB is principally engaged in providing retail and wholesale commercial banking services, treasury and investment activities, and investment advisory services. NBB is one of the key players in the domestic commercial banking market, and has the largest coverage network in Bahrain, consisting of 25 branches and 62 ATMs as at 30 June 2018.

NBB sells various products and services to individuals through its personal banking division. NBB's business banking division provides products and services to governments, corporations, small and medium enterprises and financial institutions while the treasury and investments division has the overall responsibility for managing NBB's liquidity, interest rate, foreign exchange and market risk (by, amongst other activities, borrowing and lending in the interbank market, purchasing treasury bills, proprietary dealing, investing and trading in securities, derivatives, managed funds and equities in international markets and selling of NBB's own private label fund to clients).

- **Strategy:** NBB's strategy is to achieve sustainable growth through diversification and enhancement of its presence in active segments of the domestic market, coupled with selective expansion in regional markets. Pursuant to this strategy, NBB has opened branches in Abu Dhabi and Riyadh.
- **Selected financial information:** For the six month period ended 30 June 2018, NBB's net income was BD36.8 million (U.S.\$97.9 million), representing an increase of BD5.1 million (U.S.\$13.6 million), or 16.1 per cent., compared to BD31.7 million (U.S.\$84.3 million) for the six month period ended 30 June 2017. This increase was primarily attributable to increase in net interest income on account of growth in loans and advances and improved net interest margin.

For the financial year ended 31 December 2017, NBB's net income was BD61.0 million (U.S.\$162.2 million), which was relatively unchanged compared to BD58.2 million (U.S.\$154.8 million) for the financial year ended 31 December 2016.

For the financial year ended 31 December 2016, NBB's net income was BD58.2 million (U.S.\$154.8 million), representing an increase of BD2.9 million (U.S.\$7.7 million), or 5.2 per cent., compared to BD55.3 million (U.S.\$147.1 million) for the financial year ended 31 December 2015. This increase was primarily attributable to an increase in operating income which, in turn, was mainly as a result of growth in income from investment securities and treasury bills, as well as a reduction in impairment provisions recognised for 2016.

NBB's total assets were BD3,039.0 million (U.S.\$8,082.4 million), BD3,101.5 million (U.S.\$8,248.7 million), BD2,977.1 million (U.S.\$7,917.8 million) and BD2,999.7 million (U.S.\$7,977.9 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively, while its total liabilities were BD2,614.8 million (U.S.\$6,954.3 million), BD2,653.6 million (U.S.\$7,057.4 million), BD2,562.4 million (U.S.\$6,814.9 million) and BD2,635.0 million (U.S.\$7,008.0 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively.

NBB's total shareholders' equity was BD424.2 million (U.S.\$1,128.2 million), BD447.9 million (U.S.\$1,191.2 million), BD414.7 million (U.S.\$1,102.9 million) and BD364.8 million (U.S.\$970.2 million) as at 30 June 2018 and 31 December 2017, 2016 and 2015, respectively.

NBB's capital adequacy ratio was 32.9 per cent. as at 30 June 2018 (compared to 36.3 per cent. as at 31 December 2017 and 35.4 per cent. as at 31 December 2016) while its Tier 1 ratio was 31.8 per cent. as at 30 June 2018 (compared to 35.3 per cent. as at 31 December 2017 and 34.3 per cent. as at 31 December 2016). The ratios were calculated in accordance with the Basel III and CBB guidelines. NBB's capital adequacy ratio, encompassing credit, operational and market risk, is well above the Basel requirement of 8 per cent. and also comfortably above the minimum level of 12 per cent. set by the CBB. The main factors that contribute to NBB's strong capital adequacy ratio are a relatively high capital base, and the relatively low risk profile of NBB's on-balance sheet and off-balance sheet exposures, which includes lower risk weighted assets, namely loans to governments, public sector undertakings, banks and financial institutions.

NBB is a significant element in Bahrain's financial services sector. As at 30 June 2018, NBB had approximately 640 employees of which approximately 94 per cent. were Bahraini nationals.

- *Summary of selected financial information:*

Statement of income data

For the six month periods ended 30 June 2018 and 30 June 2017:

	Six month period ended 30 June			
	2018		2017	
	BD	U.S.\$	BD	U.S.\$
	<i>(in millions)</i>			
Net income for the period.....	36.8	97.9	31.7	84.3

For the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015:

	Year ended 31 December					
	2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	<i>(in millions)</i>					
Net income for the year.....	61.0	162.2	58.2	154.8	55.3	147.1

Statement of financial position data

	As at 30 June		As at 31 December	
--	----------------------	--	--------------------------	--

	2018		2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	<i>(in millions)</i>							
Total assets	3,039.0	8,082.4	3,101.5	8,248.7	2,977.1	7,917.8	2,999.7	7,977.9
Total liabilities ..	2,614.8	6,954.3	2,653.6	7,057.4	2,562.4	6,814.9	2,635.0	7,008.0
Total equity	424.2	1,128.2	447.9	1,191.2	414.7	1,102.9	364.8	970.2

Sudanese Operations

The Sudanese government granted the governments of Bahrain and other GCC countries land in Sudan for the purpose of developing this land for agricultural use. In 2018, the Government appointed Mumtalakat for overseeing such development. Accordingly, Mumtalakat incorporated a company, Murooj Al Bahrain Co. Ltd, in 2018 for the purpose of developing agriculture projects on this land. Murooj Al Bahrain Co. Ltd is incorporated in Sudan and is wholly-owned by Mumtalakat (through two special purpose vehicles). As at the date of this Base Prospectus, Murooj Al Bahrain Co. Ltd has not commenced any material operations beyond incorporation. The Group's exposure to Murooj Al Bahrain Co. Ltd is insignificant and, as at the date of this Base Prospectus, the Group does not expect its exposure to Murooj Al Bahrain Co. Ltd to change materially in the future.

Information Technology

Mumtalakat's information technology (**IT**) strategy is closely integrated with its overall business strategy. The technology architecture provides a foundation for Mumtalakat to execute its long-term growth strategy across its various lines of businesses. Mumtalakat's technology is based on a scalable and robust enterprise support system designed to be fully resilient and secured. Mumtalakat's IT processes and procedures are adapted from international best practices in the field of IT service management. Mumtalakat continuously strives to optimise its IT infrastructure with the goal of achieving the highest possible return on investment in technology.

Mumtalakat's business continuity implementation policy includes replication of all data to an alternative availability zone on the cloud, which was implemented in 2018. Further, once a year Mumtalakat restores all the data from the recovery site to check the efficiency of its business continuity processes.

Employees

Mumtalakat recognises the value of its talent in achieving its objectives and fulfilling its commitment to all its stakeholders. Mumtalakat's human resources policies and procedures have been developed with this as the underlying principle and are aimed at being consistent, transparent and fair to all employees. To ensure skill development in specialised areas, Mumtalakat offers a structured learning and development programme that combines both work experience and on the job practical training. As at 30 June 2018, Mumtalakat was staffed with approximately 79 employees across the investment and corporate functions, of whom approximately 86 per cent. were Bahrainis.

SUMMARY FINANCIAL DATA

The following summary of the Group's consolidated historical financial information as at and for the six month periods ended 30 June 2018 and 30 June 2017 has been extracted from the 2018 Unaudited Interim Financial Statements and as at and for the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015 has been extracted from the Audited Financial Statements. The 2018 Unaudited Interim Financial Statements and the Audited Financial Statements are incorporated by reference into this Base Prospectus (see "Documents Incorporated by Reference" above). Prospective investors should read the following summary consolidated financial information in conjunction with the information contained elsewhere in this Base Prospectus, the 2018 Unaudited Interim Financial Statements and the Audited Financial Statements (including the related notes thereto).

The 2018 Unaudited Interim Financial Statements and the Audited Financial Statements have been prepared in Bahraini dinars. The Bahraini dinar has been pegged to the U.S. dollar at a fixed exchange rate of BD0.376 = U.S.\$1.00 and, accordingly, unless otherwise indicated, U.S. dollar amounts in this Base Prospectus have been converted from BD at this exchange rate.

Selected Consolidated Statement of Income Data

For the six month periods ended 30 June 2018 and 30 June 2017

	Six month period ended 30 June			
	2018		2017	
	BD	U.S.\$	BD	U.S.\$
	(in millions)			
Revenue	958.4	2,548.9	541.7	1,440.7
Operating income.....	54.2	144.1	52.2	138.8
Net profit for the period.....	69.4	184.6	41.6	110.6

For the six month period ended 30 June 2018, the Group recorded a revenue of BD958.4 million (U.S.\$2,548.9 million), representing an increase of BD416.7 million (U.S.\$1,108.2 million), or 76.9 per cent., compared to BD541.7 million (U.S.\$1,440.7 million) for the six month period ended 30 June 2017. This increase was primarily attributable to the consolidation of McLaren and a higher LME price of aluminium.

For the six month period ended 30 June 2018, the Group recorded an operating income of BD54.2 million (U.S.\$144.1 million), representing an increase of BD2.0 million (U.S.\$5.3 million), or 3.8 per cent., compared to BD52.2 million (U.S.\$138.8 million) for the six month period ended 30 June 2017.

For the six month period ended 30 June 2018, the Group recorded a net profit of BD69.4 million (U.S.\$184.6 million), representing an increase of BD27.8 million (U.S.\$73.9 million), or 66.8 per cent., compared to BD41.6 million (U.S.\$110.6 million) for the six month period ended 30 June 2017. This increase was primarily attributable to the higher LME price of aluminium.

For the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015

	Year ended 31 December					
	2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	(in millions)					
Revenue	1,497.5	3,982.7	1,023.4	2,721.8	1,167.9	3,106.1
Operating income.....	99.5	264.6	84.3	224.2	124.4	330.9
Net profit for the year	210.6	560.1	68.9	183.2	28.7	76.3

For the financial year ended 31 December 2017, the Group recorded a revenue of BD1,497.5 million (U.S.\$3,982.7 million), representing an increase of BD474.1 million (U.S.\$1,260.9 million), or 46.3 per cent., compared to BD1,023.4 (U.S.\$2,721.8 million) for the financial year ended 31 December 2016. This increase was primarily attributable to the consolidation of McLaren effective 20 July 2017 and a higher LME price of aluminium.

For the financial year ended 31 December 2017, the Group recorded an operating income of BD99.5 million (U.S.\$264.6 million), representing an increase of BD15.2 million (U.S.\$40.4 million), or 18.0 per cent., compared to BD84.3 million (U.S.\$224.2 million) for the financial year ended 31 December 2016. This increase was primarily attributable to increase in the LME price of aluminium that was offset by reduction in the operating income of Gulf Air due to lower volume and yield.

For the financial year ended 31 December 2017, the Group recorded a net profit of BD210.6 million (U.S.\$560.1 million), representing an increase of BD141.7 million (U.S.\$376.9 million), or 205.7 per cent., compared to BD68.9 million (U.S.\$183.2 million) for the financial year ended 31 December 2016. This increase was primarily attributable to fair value gain on derecognition of associates, subsequent consolidation of McLaren and higher LME price of aluminium that was offset by higher impairment losses.

For the financial year ended 31 December 2016, the Group recorded a revenue of BD1,023.4 million (U.S.\$2,721.8 million), representing a decrease of BD144.5 million (U.S.\$384.3 million), or 12.4 per cent., compared to BD1,167.9 million (U.S.\$3,106.1 million) for the financial year ended 31 December 2015. This decrease was primarily attributable to reduction in the LME price of aluminium.

For the financial year ended 31 December 2016, the Group recorded an operating income of BD84.3 million (U.S.\$224.2 million), representing a decrease of BD40.1 million (U.S.\$106.6 million), or 32.2 per cent., compared to BD124.4 million (U.S.\$330.9 million) for the financial year ended 31 December 2015. This decrease was primarily attributable to reduction in the operating income of Gulf Air due to lower volume and yield as well as a reduction in the LME price of aluminium.

For the financial year ended 31 December 2016, the Group recorded a net profit of BD68.9 million (U.S.\$183.2 million), representing an increase of BD40.2 million (U.S.\$106.9 million), or 140.1 per cent., compared to BD28.7 million (U.S.\$76.3 million) for the financial year ended 31 December 2015. This increase was attributable to lower impairment losses recognised in 2016 compared to 2015.

Selected Consolidated Statement of Financial Position Data

	As at 30 June		As at 31 December					
	2018		2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	<i>(in millions)</i>							
Total assets.....	6,036.7	16,055.1	5,754.5	15,304.5	3,932.0	10,457.4	3,956.6	10,522.9
Total liabilities	2,748.4	7,309.6	2,528.5	6,724.7	1,246.7	3,315.7	1,294.0	3,441.5
Total equity	3,288.3	8,745.5	3,226.0	8,579.8	2,685.3	7,141.8	2,662.7	7,081.6

As at 30 June 2018, the Group's total assets were BD6,036.7 million (U.S.\$16,055.1 million), representing an increase of BD282.2 million (U.S.\$750.5 million), or 4.9 per cent., compared to BD5,754.5 million (U.S.\$15,304.5 million) as at 31 December 2017. This increase was primarily attributable to increase in total assets of Alba on account of the Line 6 expansion project.

As at 31 December 2017, the Group's total assets were BD5,754.5 million (U.S.\$15,304.5 million), representing an increase of BD1,822.5 million (U.S.\$4,847.1 million), or 46.4 per cent., compared to BD3,932.0 million (U.S.\$10,457.4 million) as at 31 December 2016. This increase was primarily attributable to consolidation of McLaren effective 20 July 2017 and increase in total assets of Alba on account of the Line 6 expansion project.

As at 31 December 2016, the Group's total assets were BD3,932.0 million (U.S.\$10,457.4 million), which were relatively unchanged compared to BD3,956.6 million (U.S.\$10,522.9 million) as at 31 December 2015.

As at 30 June 2018, the Group's total liabilities were BD2,748.4 million (U.S.\$7,309.6 million), representing an increase of BD219.9 million (U.S.\$584.8 million), or 8.7 per cent., compared to BD2,528.5 million (U.S.\$6,724.7 million) as at 31 December 2017. This increase was primarily attributable to increase in total liabilities of Alba on account of the Line 6 expansion project.

As at 31 December 2017, the Group's total liabilities were BD2,528.5 million (U.S.\$6,724.7 million), representing an increase of BD1,281.8 million (U.S.\$3,409.0 million), or 102.8 per cent., compared to BD1,246.7 million (U.S.\$3,315.7 million) as at 31 December 2016. This increase was primarily attributable to consolidation of McLaren effective 20 July 2017 and increase in total liabilities of Alba on account of the Line 6 expansion project.

As at 31 December 2016, the Group's total liabilities were BD1,246.7 million (U.S.\$3,315.7 million) compared to BD1,294.0 million (U.S.\$3,441.5 million) as at 31 December 2015.

As at 30 June 2018, the Group's total equity were BD3,288.3 million (U.S.\$8,745.5 million), which was increased by BD62.3 million (U.S.\$165.7 million), or 1.9 per cent., compared to BD3,226.0 million (U.S.\$8,579.8 million) as at 31 December 2017.

As at 31 December 2017, the Group's total equity were BD3,226.0 million (U.S.\$8,579.8 million), representing an increase of BD540.7 million (U.S.\$1,438.0 million), or 20.1 per cent., compared to BD2,685.3 million (U.S.\$7,141.8 million) as at 31 December 2016. This increase was primarily attributable to the net profit for the year and increase in non-controlling interests on account of the consolidation of McLaren effective 20 July 2017.

As at 31 December 2016, the Group's total equity were BD2,685.3 million (U.S.\$7,141.8 million) compared to BD2,662.7 million (U.S.\$7,081.6 million) as at 31 December 2015.

Consolidated Borrowings of the Group

	As at 30 June		As at 31 December					
	2018		2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	<i>(in millions)</i>							
Borrowings.....	1,740.0	4,627.7	1,658.1	4,409.8	734.8	1,954.3	776.5	2,065.2

Consolidated borrowings increased by BD81.9 million (U.S.\$217.8 million), or 4.9 per cent., as at 30 June 2018 compared to 31 December 2017. The increase is primarily attributable to the increase in borrowings of Alba due to the Line 6 expansion project.

Consolidated borrowings increased by BD923.3 million (U.S.\$2,455.6 million), or 125.7 per cent., as at 31 December 2017 compared to 31 December 2016. The increase is primarily attributable to the increase in borrowings of Alba due to the Line 6 expansion project and consolidation of McLaren.

Unconsolidated Borrowings of Mumtalakat (Unaudited)

	As at 30 June		As at 31 December					
	2018		2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	<i>(in millions)</i>							
Borrowings ⁽¹⁾	619.0	1,646.3	616.4	1,639.4	579.9	1,542.3	580.3	1,543.4

Notes:

(1) Borrowings represent principal amounts outstanding net of fees and discounts.

As at 30 June 2018, the principal amount of Mumtalakat's total borrowings (on an unconsolidated and unaudited basis) were BD620.4 million (U.S.\$1,650.0 million). On an unconsolidated and unaudited basis, Mumtalakat had a total interest expense of BD11.0 million (U.S.\$29.3 million) for the six month period ended 30 June 2018. Interest expense for the years ended 31 December 2017, 2016 and 2015 were BD20.2 million (U.S.\$53.7 million), BD18.7 million (U.S.\$49.7 million) and BD23.2 million (U.S.\$61.7 million), respectively.

As at the date of this Base Prospectus, the principal amount of Mumtalakat's total borrowings (on an unconsolidated and unaudited basis) decreased to BD545.2 million (U.S.\$1,450.0 million). Of these borrowings, BD188.0 million (U.S.\$500.0 million) were due for repayment in 2019, BD37.6 million (U.S.\$100.0 million) were due for repayment in 2020, BD225.6 million (U.S.\$600.0 million) were due for repayment in 2021, and BD94.0 million (U.S.\$250 million) were due for repayment in 2023. All of these borrowings are denominated in U.S. dollars.

Dividend income (unconsolidated)

The following tables show cash dividends received by Mumtalakat from certain select portfolio companies:

	Six month period ended 30 June			
	2018		2017	
	BD	U.S.\$	BD	U.S.\$
	<i>(in millions)</i>			
Alba.....	25.6	68.1	20.7	55.1
Batelco	9.1	24.2	9.1	24.2
NBB	14.1	37.5	12.8	34.0
Others.....	15.2	40.4	6.3	16.8
Total	64.0	170.2	48.9	130.1

	Year ended 31 December					
	2017		2016		2015	
	BD	U.S.\$	BD	U.S.\$	BD	U.S.\$
	<i>(in millions)</i>					
Alba.....	20.7	55.1	5.4	14.4	20.2	53.7
Batelco	15.3	40.7	15.2	40.4	15.2	40.4
NBB	12.8	34.0	11.6	30.9	10.6	28.2
Others.....	11.2	29.8	14.1	37.4	12.6	33.6
Total	60.0	159.6	46.3	123.1	58.6	155.9

Total cash dividends received by Mumtalakat (on an unconsolidated and unaudited basis) from its portfolio companies were BD64.0 million (U.S.\$170.2 million) and BD48.9 million (U.S.\$130.1 million) for the six month periods ended 30 June 2018 and 30 June 2017, respectively.

Total cash dividends received by Mumtalakat (on an unconsolidated and unaudited basis) from its portfolio companies were BD60.0 million (U.S.\$159.6 million), BD46.3 million (U.S.\$123.1 million) and

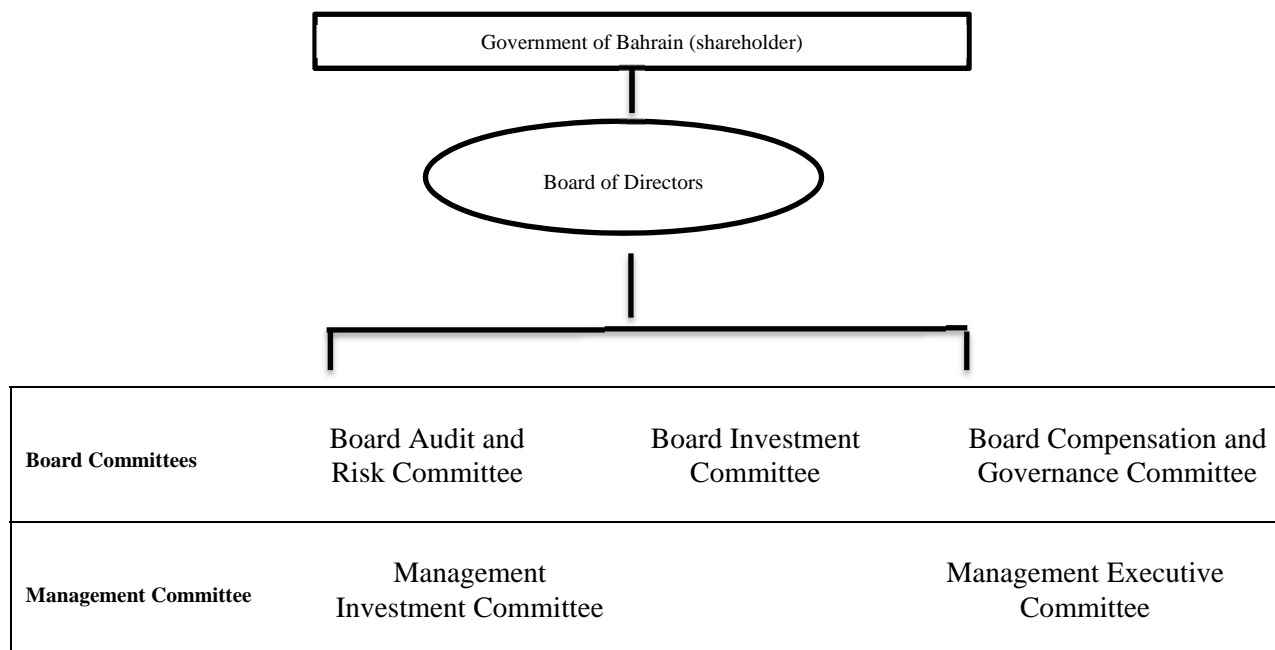
BD58.6 million (U.S.\$155.9 million) for the financial years ended 31 December 2017, 31 December 2016 and 31 December 2015, respectively.

Dividends received from Alba, Batelco and NBB represent 76.3 per cent. of total dividends received in the six month period ended 30 June 2018. Dividends from other companies within Mumtalakat's portfolio make up the remaining balance of 23.7 per cent. of dividends received for the six month period ended 30 June 2018.

MANAGEMENT AND CORPORATE GOVERNANCE

Corporate Governance Structure

The corporate governance structure of Mumtalakat is as follows:



Board of Directors

The Board is appointed by HRH Prince Salman bin Hamad Al Khalifa, the Crown Prince and Chairman of the EDB and convenes in accordance with the requirements of the Commercial Companies Law. The Board reviews and approves Mumtalakat's strategic business plan. The Board also reviews and approves rules governing investment policy and guidelines for Mumtalakat. The Board exercises, through the executive management, all powers necessary for the management of Mumtalakat, including reviewing and approving:

- the administrative and financial policies necessary to organise Mumtalakat's business and supervision of their implementation;
- the organisational structure of Mumtalakat and personnel policies;
- Mumtalakat's annual budget and audited accounts; and
- periodic reports concerning funding of Mumtalakat's business and adoption of the necessary decisions concerning them.

The Chairman of the Board is responsible for submitting to Mumtalakat's shareholder semi-annual periodic reports about Mumtalakat's business activities, operations, achievements, difficulties faced and solutions adopted.

The Board reviews and approves Mumtalakat's annual budget and asset allocation strategy. Within the limitations adopted by the annual budget and asset allocation strategy, Mumtalakat's BIC must recommend for approval any investment and divestment activity.

Members of the Board are appointed for a renewable term of four years by resolution of HRH Prince Salman bin Hamad Al Khalifa, the Crown Prince and Chairman of the EDB.

As at the date of this Base Prospectus, Mumtalakat's Board, which was appointed on 11 February 2016, was comprised of the following members:

Name	Title
HE Shaikh Khalid bin Abdulla Al Khalifa	Chairman
HE Shaikh Mohamed bin Isa Al Khalifa	Board Member
HE Kamal Ahmed	Board Member
HE Zayed Alzayani	Board Member
Khaled Omar Alromaihi	Board Member
Mahmood Hashem Alkooheji	Board Member and Chief Executive Officer
Dr Samer Majed Aljishi	Board Member
Khalid Ebrahim Humaidan	Board Member
Elham Hasan	Board Member

The business address of each member of the Board is Building No. 551, Flat 401, Road 4612, Manama/Sea Front 346, P.O. Box 820, Manama, Bahrain.

There are no potential conflicts of interest between the private interests or other duties of the directors listed above and their duties to Mumtalakat.

Detailed below is brief biographical information on the members of Mumtalakat's Board.

HE Shaikh Khalid bin Abdulla Al Khalifa

HE Shaikh Khalid bin Abdulla Al Khalifa is the Deputy Prime Minister of Bahrain. Prior to that, he was the Minister of the Prime Minister's Court. He was the Director of Public Works Directorate in 1971, the Minister of Housing from 1975 to 1995, the Chairman of the Housing Bank from 1979 to 2002 and the Chairman of the Central Municipal Council from 1987 to 1995. From 2001 to 2002, Shaikh Khalid served as Minister of Housing and Agriculture. Prior to that, he also served as the Minister of Housing, Municipalities and Environment.

In addition to his role as Chairman of Mumtalakat, he is the Chairman of the Ministerial Committee for Development and Infrastructure and the Ministerial Committee for Financial Affairs and Expenditure Control. He is also a board member of the Shaikh Isa Award for Service to Humanity and the Supreme Committee for Information Technology and Communications.

HE Shaikh Khalid bin Abdulla Al Khalifa holds a Bachelor of Science Degree in Civil Engineering from the College of Engineering at Cairo University.

HE Shaikh Mohamed bin Isa Al Khalifa

HE Shaikh Mohamed bin Isa Al Khalifa was appointed as the Political and Economic Adviser to the Court of the Crown Prince in 2012. Prior to that, he served as Chief Executive of the EDB from 2005 to 2012. He also served as the Chairman of Bahrain Development Bank until February 2016.

He is the Chairman of the Bahrain Labour Fund (**Tamkeen**), the Young Arab Leaders' Bahrain chapter and Capital Club, Bahrain. In addition, he is a board member of the Crown Prince's International Scholarship Programme.

HE Shaikh Mohamed bin Isa Al Khalifa holds a Bachelor's Degree in Economic Theory from the American University in Washington D.C. and a Postgraduate Diploma in Business Studies from the London School of Economics.

HE Kamal Ahmed

HE Kamal Ahmed was appointed as the Minister of Transportation and Telecommunications in February 2012. In addition, he was also appointed as the Acting Chief Executive Officer of the EDB in March

2012 and has also served as the Chief Operating Officer of the EDB. Prior to his appointment as the Minister of Transportation and Telecommunications, he was the Minister of Cabinet Affairs.

He is currently the Chairman of Gulf Air Holding Company, Bahrain Airport Company and Gulf Aviation Academy. He is also a board member of the EDB, the National Authority for Qualifications and Quality Assurance of Education and Training and the Higher Education Council.

HE Kamal Ahmed holds a Bachelor of Science Degree in Civil Engineering from the University of Bahrain and a Master Degree in International Project Management from the Leeds University.

HE Zayed Alzayani

HE Zayed Alzayani was appointed as the Minister of Industry, Commerce and Tourism in December 2014. Prior to his appointment, he led his family business as the Chairman of Alzayani Investments, Euro Motors, Zayani Motors, Zayani Leasing, Zayani Properties, Alzayani Industries and Orient Motors. In addition, he also served as the Managing Director of First Motors, Chairman of the BIC and a board member of the Boston University International Advisory Board. He is also the Minister in-charge of the Bahrain Bourse, a role he has held since 2016.

In addition to his role at Mumtalakat, he is the Chairman of the Bahrain Tourism and Exhibitions Authority and of Gulf Air. He is also a board member of the EDB and the Business Family Network.

HE Zayed Alzayani holds a Master of Business Administration in Finance from the Boston University.

Khaled Omar Alromaihi

Khaled Omar Alromaihi has served as the Chief Executive of the EDB since March 2015. He is also the Chairman of Bahrain Development Bank and a member of the board of the EDB and the NBB. Prior to this, he spent more than 10 years at Investcorp in a number of roles (including as the Managing Director and a member of Investcorp's Management Committee). He has previously held board positions at Gulf Air and Securities Investment Company and was the Chairman of Bahrain Airport Company.

Khaled Omar Alromaihi holds a Bachelor of Science Degree in Foreign Service from Georgetown University and a Master's Degree in Public Policy (specialising in Economic Development) from Harvard University.

Mahmood Hashem Alkooheji

Mahmood Hashem Alkooheji has been the Chief Executive Officer of Mumtalakat since 2012. He represents Mumtalakat on the boards of important Bahrain-based companies in addition to McLaren.

He has previously served as the Chairman of Alba from 2008 to 2014 (where he spearheaded the company's restructuring in 2009 and the successful listing of 10 per cent. of its shares on both the London and Bahrain stock exchanges in 2010) and of Gulf Air from 2007 to 2008 (where he launched the airline's single-ownership restructuring programme). He has also previously served as the Director of Government Shareholding in the Ministry of Finance and the Assistant Undersecretary in the Ministry of Finance.

Mahmood Hashem Alkooheji holds a Bachelor of Science Degree in Mechanical Engineering from Staffordshire University and a Master of Business Administration from the Henley College of Management, Brunel University.

Dr Samer Majed Aljishi

Dr Samer Majed Aljishi is the Managing Director of BFG International, a multinational company manufacturing composites-based products.

He is a board member in Gulf Air Holding Company, Gulf Aviation Academy, Bahrain Airport Company, the EDB and Ilium.

Dr Samer Majed Aljishi holds a Bachelor of Science in Engineering from Rensselaer Polytechnic Institute and a Master's Degree and a Ph.D. in Electrical Engineering from Princeton University.

Khalid Ebrahim Humaidan

Khalid Ebrahim Humaidan works for BNP Paribas as the Head of Global Markets – Middle East and Africa, based in Bahrain.

He is also a board member of the EDB.

Khalid Ebrahim Humaidan holds a Bachelor of Science Degree in Business and Economics from Lehigh University, Pennsylvania.

Elham Hasan

Elham Hasan is the Chairperson of Taaheel Health Group and the Bahrain Bourse Disciplinary. She also sits on the board of Bank of Bahrain and Kuwait (Bahrain), Solidarity Group Holding and BNP Paribas Investment Company (Saudi Arabia).

Elham Hasan is a member of the American Institute of Certified Public Accountants.

Executive Management

As at the date of this Base Prospectus, Mumtalakat's senior management was comprised of the following members:

Name	Title
Mahmood Hashem Alkooheji	Chief Executive Officer
Suha Karzoon	Chief Financial Officer
Rima Hadid-Al Masri	Chief Operating Officer and Corporate Secretary
Paul Scott	Chief Investment Officer

The business address of each member of Mumtalakat's senior management is Building No. 551, Flat 401, Road 4612, Manama/Sea Front 346, P.O. Box 820, Manama, Bahrain.

Detailed below is brief biographical information on the members of Mumtalakat's senior management.

Mahmood Hashem Alkooheji

Please see under "*Management and Corporate Governance – Board of Directors*" above.

Suha Karzoon

Suha Karzoon joined Mumtalakat in September 2014 and, as at the date of this Base Prospectus, is Mumtalakat's Chief Financial Officer. Prior to this role, she was Mumtalakat's Chief Operating Officer. She is a member of the board of Alba. Prior to joining Mumtalakat, she held the role of Vice President, Finance and Support at Tamkeen.

Suha Karzoon is a Certified Public Accountant and holds a Bachelor of Science Degree in Accounting from the University of Bahrain.

Rima Hadid-Al Masri

Rima Hadid-Al Masri joined Mumtalakat in June 2013 and, as at the date of this Base Prospectus, holds the position of Chief Operating Officer and Corporate Secretary. She was also Mumtalakat's General Counsel until 2017. She is a member of the board of McLaren.

Rima Hadid-Al Masri holds a LLB from the Western Sydney University. She is an Australian qualified solicitor of the Supreme Court of New South Wales and a solicitor of the High Court of Australia.

Paul Scott

Paul Scott joined Mumtalakat in April 2018 as Chief Investment Officer. He has previously worked with GE Capital, Bank of America Merrill Lynch and Barclays.

Paul Scott holds a Bachelor of Science degree in Business and Management Studies from the University of Salford and is an Associate of the Chartered Institute of Bankers.

Board Committees

Board Audit and Risk Committee

The Board Audit and Risk Committee assists the Board in independently ensuring and maintaining oversight of Mumtalakat's financial reporting system, internal control and risk management processes, audit functions and legal and regulatory requirements. The duties and responsibilities of the Board Audit and Risk Committee include assisting the Board in identifying and managing principal financial and compliance risks; approving the internal audit plan to be undertaken by an outsourced internal audit professional services firm, who conducts internal audits of Mumtalakat; assessing the independence, accountability and effectiveness of the external auditor; evaluating the adequacy and effectiveness of Mumtalakat's procedures and systems (such as the management reporting processes); and ensuring compliance with legal and regulatory requirements and internal policies.

This committee convenes at least four times a year, or as often as needed and its members are appointed by the Board. The Board Audit and Risk Committee comprise a minimum of three members, all of whom are independent non-executive directors.

Board Investment Committee

The BIC is a non-executive committee and is independent of senior management and any executive directors. Under its charter, the BIC's members are appointed by the Board. The BIC convenes at a minimum on a quarterly basis.

Its duties and responsibilities include reviewing and recommending for approval investment and divestment opportunities and divestments; monitoring issues associated with specific investments; and monitoring potential insider dealing and managing any potential conflicts of interest identified in relation to prospective or existing investments.

Board Compensation and Governance Committee

The Board Compensation and Governance Committee assists the Board in identifying and nominating individuals to serve as Board sub-committee members; recommends the rewards policy for Mumtalakat; supports the Chairman of the Board in the performance review of the Board and its sub-committees; and establishes Mumtalakat's corporate governance framework. The Board Compensation and Governance Committee meets at least twice a year, or as often as needed.

The committee members are appointed by the Board, and comprise three members, all of whom are non-executive directors.

Management Committees

Management Investment Committee

The role of the MIC, which comprises the Chief Executive Officer, Chief Investment Officer, Chief Operating Officer and Chief Financial Officer, is to oversee the investment activities of Mumtalakat. The MIC makes recommendations pertaining to Mumtalakat's investment activities to the BIC. The MIC meets on a weekly basis.

Management Executive Committee

The Management Executive Committee manages Mumtalakat's day-to-day operations and provides oversight on operational matters related to strategy, governance, budget, financing plans and staff related matters. The Management Executive Committee is made up of senior management within Mumtalakat headed by the Chief Executive Officer and meets on a weekly basis or as often as needed.

Conflicts of Interest

There are no conflicts of interest between the private interests or other duties of the members of Mumtalakat's Board or senior management listed above and their duties to Mumtalakat.

Mumtalakat's corporate governance procedures require that each Board member or portfolio company board member disclose any interest which they may have with respect to a transaction under consideration, preventing the conflicted party from voting on the respective transaction.

Corporate Governance

Mumtalakat is committed to developing the highest standards of corporate governance. Responsibility for adopting these standards rests with the Board, which recognises the importance of this responsibility.

Mumtalakat complies with Bahrain's Corporate Governance Code (as effective in January 2011 and replaced in October 2018, the **Code**). The Code was initially developed in a consultative process involving the Ministry of Industry, Commerce and Tourism, the CBB and the National Corporate Governance Committee (a steering committee created under the auspices of the Ministry of Industry, Commerce and Tourism composed of public and private sector stakeholders). The Code applies to all joint stock companies incorporated under the Commercial Companies Law, except for joint stock companies which are licensed by the CBB and governed by the corporate governance code issued by the CBB. The Code is a testament to the Government's commitment to sound corporate governance principles and making Bahrain an attractive business environment.

The Code is based upon 11 core principles of corporate governance reflecting international best practices, including in the areas of board evaluation, internal control, remuneration of officers and directors, shareholder participation and publicly available written corporate governance guidelines. The Code supplements the Commercial Companies Law, but goes beyond the requirements of the Commercial Companies Law on several points. Examples include the Code's recommendations that the chairperson of the board and the CEO should not be the same person, and that at least 50 per cent. of the members of the board of directors should be non-executive directors. The Code also calls for companies to operate within a "comply or explain" corporate governance framework, which means that companies should comply with the recommendations, or give an explanation in the case of non-compliance.

Responsibilities of Mumtalakat's Board are codified in the Board Charter that outlines the rights and obligations of shareholders, stakeholders, Board members and the executives at Mumtalakat. The Board is the ultimate decision-making body at Mumtalakat, overseeing and monitoring major acquisitions,

mergers and divestments in the best interests of all parties involved – Mumtalakat, its shareholder and its stakeholders.

Mumtalakat's commitment to sound business practice and governance underlines the Board's activities. In addition to the delegation of responsibility to its three standing committees – the Board Audit and Risk Committee, the Board Investment Committee and the Board Compensation and Governance Committee – the Board values the inputs of external experts where necessary.

Mumtalakat's auditing process is rigorous with regular audits conducted internally, externally and also by the National Audit Office (NAO) of Bahrain.

Underpinning Mumtalakat's commitment to good corporate governance practices, directors selected on the boards of portfolio companies are provided with a Director's Handbook that is designed to be a reference guide for directors when executing their roles and overall fiduciary responsibilities. The Director's Handbook provides directors representing Mumtalakat on portfolio companies guidance on their roles and responsibilities towards their respective portfolio companies, and the responsibilities of the shareholder.

The Chairman's role is a non-executive one and the day-to-day operations and management of Mumtalakat rests with the Chief Executive Officer.

Mumtalakat's delegation of authority is an important part of the governance structure as it facilitates the day-to-day operations while enforcing responsibility, accountability and internal controls over the authorisation, execution and management of commitments.

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. Defined terms used below have the meaning given elsewhere in the Base Prospectus and the glossary of defined terms set out below (see "— Defined Terms").

Purchase Agreement

The Master Purchase Agreement will be entered into on 11 February 2019 between the Trustee (in its capacity as purchaser and trustee) and the Obligor (in its capacity as seller) and will be governed by Bahraini law. A Supplemental Purchase Agreement between the Trustee and the Obligor (or any of its subsidiaries) will be entered into on the Issue Date of each Series and will also be governed by Bahraini law.

Pursuant to the Purchase Agreement, the Obligor (or the relevant subsidiary) may sell, transfer and convey to the Trustee, and the Trustee may purchase from the Obligor (or the relevant subsidiary), all of its rights, title, interests, benefits and entitlement in, to and under the relevant Real Estates Assets.

Lease Agreement

The Master Lease Agreement will be entered into on 11 February 2019 between the Trustee (in its capacity as lessor and trustee), the Obligor (in its capacity as lessee) and the Delegate and will be governed by Bahraini law. A Supplemental Lease Agreement between the same parties will be entered into on the Issue Date of each Series and will also be governed by Bahraini law.

Pursuant to the Lease Agreement, the Trustee may lease to the Obligor, and the Obligor may lease from the Trustee, the Lease Assets during renewable Rental Periods commencing on the Lease Commencement Date (each such expression having the meaning given to it in the relevant Lease Agreement) and extending to the Scheduled Dissolution Date of the relevant Series (unless the relevant Supplemental Lease Agreement is terminated earlier in accordance with its terms or extended in accordance with the Purchase Undertaking).

The Obligor will agree to use the Lease Assets at its own risk. Accordingly, the Obligor shall from the date of the relevant Supplemental Lease Agreement bear the entire risk of loss of or damage to the Lease Assets or any part thereof arising from the usage or operation thereof by the Obligor to the extent that such loss or damage has resulted from the Obligor's gross negligence, wilful default, fraud or breach of its obligations under the relevant Supplemental Lease Agreement. In addition, the Trustee shall not be liable (and the Obligor will waive any claim or right, howsoever arising, to the contrary) for any indirect, consequential or other losses, howsoever arising, in connection with, and attributable to, the Obligor's use or operation of the Lease Assets.

Under the Lease Agreement, the Obligor will agree to be responsible, at its own cost and expense, for the performance of all Ordinary Maintenance and Repair required for any Lease Assets. The Trustee shall be responsible for (i) the performance of all Major Maintenance and Structural Repair; (ii) the payment of any proprietorship or other relevant taxes; and (iii) insuring the Lease Assets in accordance with the terms of the Service Agency Agreement, and the Obligor will acknowledge that the Trustee may procure that the Service Agent, in accordance with the terms and conditions set out in the Service Agency Agreement, shall perform, or shall procure the performance of, Major Maintenance and Structural Repair, the payment of such taxes and the insurance of such Lease Assets, on behalf of the Trustee.

The Obligor has agreed in the Lease Agreement that all payments by it under the Lease Agreement will be made without any withholding or deduction for or on account of Taxes unless required by law and without set-off or counterclaim of any kind. If there is any such withholding or deduction, the Obligor shall agree under the relevant Lease Agreement to pay all additional amounts as will result in the receipt

by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made.

The payment obligations of the Obligor under a Lease Agreement are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 6(b)) 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)) rank at least equally with all other unsecured and unsubordinated obligations of the Obligor, present and future.

Assignment Agreement

The Master Assignment Agreement will be entered into on 11 February 2019 between the Trustee (in its capacity as purchaser and trustee) and the Obligor (in its capacity as seller) and will be governed by English law. A Supplemental Assignment Agreement between the same parties will be entered into on the Issue Date of each Series and will also be governed by English law.

Pursuant to the Assignment Agreement, the Obligor may assign, transfer and convey to the Trustee, and the Trustee may agree to purchase and accept the assignment, transfer and conveyance from the Seller of, Securities Interests relating to certain Securities.

Upon the assignment, transfer and conveyance of the Securities Interests as described above, the Obligor shall be deemed to have transferred to the Trustee all of the risks and rewards relating to the relevant Securities, including, but not limited to: (a) any reduction or depreciation in the Value of such Securities; (b) the full or partial loss of capital in an insolvent winding-up of the Relevant Company or the Sukuk Obligor, as the case may be, relating to such Securities; (c) the insolvency of the Relevant Company or the Sukuk Obligor, as the case may be, relating to such Securities; and (d) any adverse management or corporate action taken by or relating to the Relevant Company or the Sukuk Obligor, as the case may be, relating to such Securities.

Service Agency Agreement

The Service Agency Agreement will be entered into on 11 February 2019 between the Trustee and the Obligor (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) shall, subject to the Service Agency Agreement, ensure that all times:
 - (i) the Tangibility Ratio is not less than 51 per cent.; and
 - (ii) the Value of the Lease Assets together with the Value of the Securities Interests relating to any Sukuk comprised in the Wakala Portfolio is not less than 26 per cent. of the aggregate face amount of the Certificates then outstanding of the relevant Series,(together, the **Tangibility Requirement**);
- (b) shall ensure that any Securities comprised in the Wakala Portfolio satisfy the Eligibility Criteria;
- (c) shall monitor the activities and financial information of the Relevant Companies and/or Sukuk Obligor, as the case may be, in respect of any Securities in order to check on an annual basis, in consultation with, and acting on advice from, its Shariah Adviser whether such Securities satisfy the Eligibility Criteria;
- (d) shall use all reasonable endeavours to manage the Wakala Portfolio such that the aggregate of the Value of the Wakala Assets and the aggregate amounts of Deferred Sale Price then outstanding

(if any), is at all times at least equal to the aggregate face amount of the Certificates then outstanding;

- (e) shall carry out all Major Maintenance and Structural Repair in respect of the Lease Assets on account and on behalf of the Trustee and in so doing the Service Agent shall:
 - (i) ensure that accurate and current records are kept of all Major Maintenance and Structural Repair activities;
 - (ii) conduct regular and proper inspection of the Lease Assets and ensure that Major Maintenance and Structural Repair is carried out with the proper quality of materials and workmanship; and
 - (iii) 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 Lease Assets;

- (f) shall exercise (or refrain from exercising) all voting rights and shall take (or refrain from taking) all actions in relation to any Securities in its absolute discretion on behalf of the Trustee, provided that such action or exercise of such voting rights is not prejudicial to the interests of the Certificateholders;
- (g) if holders of any Securities are able to elect the form in which profits, dividends, distributions and/or other amounts are to be paid to them under the terms of such Securities, shall make such election on behalf of the Trustee and take all necessary steps to give effect to such election. If any profits, dividends, distributions or other amounts are received other than in the form of cash or Securities, or if any other rights of any kind are given to holders of the Securities (including without limitation the right to subscribe for new Securities), it shall take all necessary action in respect thereof and/or exercise such Securities Interests as it may determine in its sole discretion on behalf of the Trustee, provided that such action or exercise of rights is not prejudicial to the interests of the Certificateholders;
- (h) 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;
- (i) shall promptly pay, on behalf of the Trustee, all Proprietorship Taxes (if any) charged, levied or claimed in respect of the Lease Assets by any relevant taxing authority and promptly, upon request, provide to the Trustee appropriate receipts or certificates from the relevant taxing authority for the full amount of all Proprietorship Taxes paid by it;
- (j) shall pay on behalf of the Trustee any actual costs, expenses, losses 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 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 make all reasonable efforts to collect or enforce the collection of such Wakala Portfolio Revenues as and when the same shall become due and shall record such Wakala Portfolio Revenues in the Collection Account;
- (l) shall 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 Wakala Portfolio Revenues;

- (m) shall maintain the Collection Account and the Reserve Account, in each case in accordance with the Service Agency Agreement;
- (n) shall obtain and maintain all necessary licences, authorisations and consents in connection with any of the Wakala Assets and its obligations under or in connection with the Service Agency Agreement;
- (o) if, following payment of amounts standing to the credit of the Reserve Account as below, a shortfall remains on any Wakala Distribution Determination Date, may provide Shariah compliant funding to the Trustee 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) in accordance with the provisions set out below; or (ii) on the relevant Dissolution Date (such funding in relation to a Series, a **Liquidity Facility**); and
- (p) shall carry out any incidental matters relating to any of the above.

The Service Agent also irrevocably undertakes to the Trustee that, in relation to the Lease Assets comprised in the Wakala Portfolio for each Series, the Service Agent will:

- (a) be responsible for ensuring that the Lease 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 Lease 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 ensure that the insured amount relating to a Total Loss Event will, at all times, be at least equal to the Full Reinstatement Value;
- (b) promptly make a claim in respect of each loss relating to the Lease Assets in accordance with the terms of the Insurances; and
- (c) ensure that, in the event of a Total Loss Event occurring, unless the Lease Assets have been replaced by the Obligor as set out below, 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 relevant insurer(s) will be directed accordingly.

Pursuant to the Service Agency Agreement, by no later than the 29th day after the occurrence of a Total Loss Event, the Service Agent may procure the identification of available replacement Lease Assets to which the Obligor (or any of its subsidiaries) has full legal title free of any Encumbrance and the aggregate Value of which is not less than the aggregate Value of the replaced Lease Assets, at the relevant time (the **Replacement Lease Assets**). Immediately following such identification, the Service Agent shall notify the Trustee of the same and the Trustee may, pursuant to and on the terms of a separate purchase agreement substantially in the form, *mutatis mutandis*, of a Supplemental Purchase Agreement, purchase all of the Obligor's (or the relevant subsidiary's) rights, title, interests, benefits and entitlements in, to and under such Replacement Lease Assets from the Obligor (or the relevant subsidiary) at a purchase price to be paid by the Service Agent on behalf of the Trustee using the proceeds of the Insurances (or the assignment of the rights to such proceeds) to or to the order of the Obligor and the transfer to the Obligor by the Trustee of any residual interest it may hold in the Lease Assets (including any remaining rights in respect of any proceeds of the Insurances), in consideration for the sale, transfer and conveyance by the Obligor (or the relevant subsidiary) of all its rights, title, interests, benefits and entitlements in, to and under the Replacement Lease Assets to the Trustee.

If, following the occurrence of a Total Loss Event, provided that the Lease Assets have not been replaced as described above, the Service Agent fails to comply with its obligations relating to insurance as described in paragraphs (a) to (b) (inclusive) above, and as a result of such breach the amount (if any)

paid into the Transaction Account pursuant to paragraph (c) above is less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount paid into 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 the Service Agency Agreement relating to insurance) irrevocably and unconditionally undertakes to pay (in same day, freely transferable, cleared funds) the Total Loss Shortfall Amount directly to the Transaction Account by no later than close of business in London on the 31st day after the Total Loss Event has occurred. Subject to paying such Total Loss Shortfall Amount, there will be no further claim against the Service Agent for failing to comply with its insurance obligations.

Wherever the Service Agent procures Insurances in accordance with the terms of the Service Agency Agreement (including the renewal of any Insurances in existence on the Issue Date) it shall use its reasonable endeavours to obtain such Insurances on a takaful basis if such takaful insurance is available on commercially viable terms.

The Service Agent shall perform its duties 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.

The Service Agent 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, in relation to each Series and provided no Dissolution Event or Potential Dissolution Event has occurred and is continuing:

- (a) the Obligor may at any time exercise its rights under the Substitution Undertaking to substitute any one or more Wakala Assets for New Wakala Assets, as it may select in accordance with, and subject to, the conditions of the Service Agency Agreement and the Substitution Undertaking; and
- (b) if, at any time, the Tangibility Requirement in respect of such Series is not satisfied (a **Tangibility Requirement Breach**) or, if applicable, some or all of the Securities cease to satisfy the Eligibility Criteria (an **Eligibility Criteria Breach**) the Service Agent shall use its best endeavours to identify New Wakala Assets in replacement of the relevant Substituted Wakala Asset(s) provided that any such substitution shall otherwise be undertaken in accordance with, and subject to, the conditions of the Service Agency Agreement and the Purchase Undertaking.

The Service Agent will maintain, in relation to each Series, two 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.

In relation to each Series, amounts standing to the credit of the Collection Account will be applied by the Service Agent no later than each Wakala Distribution Determination Date in the following order of priority:

- (a) *first*, in repayment to the Service Agent of any amounts advanced by it to the Trustee by way of a Liquidity Facility;
- (b) *second*, in payment to the Service Agent of any due but unpaid Service Agent Liabilities Amounts in respect of the Wakala Distribution Period ending on the immediately following Wakala Distribution Date and (if applicable) any Service Agent Liabilities Amounts for any previous Wakala Distribution Period that remain unpaid;

- (c) *third*, in payment into the 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
- (d) *fourth*, any amounts still standing to the credit of the Collection Account immediately following payment of all of the above amounts, shall be debited from the Collection Account and credited to the Reserve Account.

If there is a shortfall on a Wakala Distribution Determination Date in relation to a Series between the amounts standing to the credit of the Transaction Account (after payment into the Transaction Account as set out above) and the Required Amount payable on the immediately following Periodic Distribution Date, amounts standing to the credit of the Reserve Account shall be applied towards such shortfall. Following such application, the Service Agent may also advance amounts to the Trustee by way of a Liquidity Facility to ensure the Trustee receives the Required Amount on such Periodic Distribution Date to pay the relevant Periodic Distribution Amount, by paying the amounts so advanced into the Transaction Account on the Business Day immediately preceding the relevant Periodic Distribution Date. Any Liquidity Facility shall be provided on terms that it is repayable from Wakala Portfolio Revenues in accordance with paragraph (b) above or on the Dissolution Date.

The Service Agent may deduct amounts standing to the credit of the Reserve Account at any time during the Wakala Ownership Period and to use such amounts for its own account, provided that such amounts shall be immediately repaid by it if so required to fund any shortfall as described above or upon the occurrence of a Dissolution Event or a Total Loss Event.

Following payment of all amounts due and payable under the Certificates of a Series on its Dissolution Date, the Service Agent shall be entitled to retain any amounts that remain standing to the credit of the Reserve Account for that Series for its own account as an incentive for acting as Service Agent.

To the extent that a Total Loss Event has occurred and the Lease Assets comprised in the Wakala Portfolio applicable to the relevant Series have not been replaced in accordance with the Service Agency Agreement, the Trustee agrees that, upon payment in full of: (a) an amount equal to the Full Reinstatement Value in accordance with the Service Agency Agreement; and (b) all amounts due and payable under the Certificates on the Total Loss Dissolution Date, all of its rights, title, interests, benefits and entitlements in, to and under, the Wakala Assets (other than the relevant Lease Assets in existence immediately prior to the Total Loss Event (if any)) comprised in the Wakala Portfolio applicable to the relevant Series shall vest with the Service Agent as an incentive for acting as Service Agent.

Except as provided in the Service Agency Agreement, the Service Agent has agreed in the Service Agency Agreement that all payments by it under the Service Agency Agreement will be made without any withholding or deduction for or on account of Taxes unless required by law and without set-off or counterclaim of any kind. If there is any withholding or deduction, the Service Agent shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made.

The payment obligations of the Service Agent under the Service Agency Agreement in relation to a Series are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 6(b)) unsecured obligations of the Service Agent which (save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 6(b)) at all times rank at least equally with all other unsecured and unsubordinated obligations of the Service Agent, present and future.

Purchase Undertaking

The Purchase Undertaking will be executed as a deed on 11 February 2019 by the Obligor in favour of the Trustee and the Delegate and will be governed by English law.

In relation to each Series, provided that no Total Loss Event has occurred and is continuing (or if a Total Loss Event has occurred, the Lease Assets have been replaced in accordance with the Service Agency Agreement), the Obligor irrevocably grants the Trustee and the Delegate (in each case, on behalf of itself and the Certificateholders) the following rights:

- (a) provided that a Dissolution Event has occurred and is continuing and a Dissolution Notice has been delivered in accordance with the Conditions, to require the Obligor to purchase on the Dissolution Event Redemption Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;
- (b) to require the Obligor to purchase, on the Scheduled Dissolution Date, all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;
- (c) provided that (i) Certificateholder Put Right is specified as applicable in the applicable Final Terms (and Optional Dissolution Right is specified as not applicable in the applicable Final Terms) and (ii) one or more Certificateholders have exercised the Certificateholder Put Right in accordance with the Conditions, to require the Obligor to purchase on the Certificateholder Put Right Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Certificateholder Put Right Wakala Assets at the Certificateholder Put Right Exercise Price specified in the relevant Exercise Notice;
- (d) provided that (i) Change of Control Put Right is specified as applicable in the applicable Final Terms; (ii) a Change of Control Event has occurred; and (iii) one or more Certificateholders have exercised the Change of Control Put Right in accordance with the Conditions, to require the Obligor to purchase on the Change of Control Put Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Change of Control Wakala Assets at the Change of Control Exercise Price specified in the relevant Exercise Notice;
- (e) to require the Obligor to sell, assign, transfer and convey (as applicable) to the Trustee on the Substitution Date all of the Obligor's (or any of the Obligor's subsidiaries') rights, title, interests, benefits and entitlements in, to and under the New Wakala Assets against the sale, assignment, transfer and/or conveyance (as applicable) to the Obligor (or the relevant subsidiary) of all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Substituted Wakala Assets, provided that:
 - (i) no Dissolution Event or Potential Dissolution Event has occurred in respect of the relevant Series;
 - (ii) the New Wakala Assets are of a Value which (A) is equal to or greater than the Value of the Substituted Wakala Assets and (B) when aggregated with the Value of any Wakala Assets not replaced or substituted on the Substitution Date, satisfies the Tangibility Requirement;
 - (iii) the Securities Interests relating to any Securities forming part of the New Wakala Assets satisfy the Eligibility Criteria; and
 - (iv) in respect of the Substituted Wakala Assets (or any of them) no Exercise Notice has been delivered under the Purchase Undertaking nor has any Exercise Notice (as defined in the Sale Undertaking) been delivered under the Sale Undertaking, in each case where such Exercise Notice remains outstanding and the related redemption of Certificates referred to therein has not occurred in accordance with the Conditions,

in each case, on an "as is" basis but free from any Encumbrance (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Purchase Undertaking.

The Obligor has covenanted and undertaken in the Purchase Undertaking that if the relevant Exercise Price, Certificateholder Put Right Exercise Price or Change of Control Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, the Obligor shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the outstanding Certificates of such Series, the Certificateholder Put Right Certificates or the Change of Control Certificates, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price, Certificateholder Put Right Exercise Price or Change of Control Exercise Price, as the case may be.

Except as provided in the Purchase Undertaking, the Obligor has agreed in the Purchase Undertaking that all payments by it under the Purchase Undertaking must be made without any withholding or deduction for or on account of Taxes unless required by law and without set-off or counterclaim of any kind. If there is any withholding or deduction, the Obligor shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made.

The payment obligations of the Obligor under the Purchase Undertaking in relation to a Series are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 6(b)) 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)), at all times rank at least equally with all other unsecured and unsubordinated obligations of the Obligor, present and future.

Sale Undertaking

The Sale Undertaking will be executed as a deed on 11 February 2019 by the Trustee in favour of the Obligor and will be governed by English law.

In relation to each Series, provided that no Total Loss Event has occurred and is continuing (or if a Total Loss Event has occurred, the Lease Assets have been replaced in accordance with the Service Agency Agreement), the Trustee irrevocably grants to the Obligor each of the following rights:

- (a) provided that a Tax Event has occurred, to require the Trustee to sell, assign, transfer and convey (as applicable) to the Obligor (or any of its subsidiaries) on the Early Tax Dissolution Date specified in the Exercise Notice all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;
- (b) provided that Optional Dissolution Right is specified as applicable in the applicable Final Terms (and Certificateholder Put Right is specified as not applicable in the applicable Final Terms), to require the Trustee to sell, assign, transfer and convey (as applicable) to the Obligor (or any of its subsidiaries) on the Optional Dissolution Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice;
- (c) provided that (i) Obligor Clean Up Call Right is specified as applicable in the applicable Final Terms and (ii) 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 Condition 8, to require the Trustee to sell, assign, transfer and convey (as applicable) to the Obligor (or any of its subsidiaries) on the Clean Up Call Right Dissolution Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Wakala Assets comprised in the Wakala

Portfolio applicable to such Series at the Exercise Price specified in the relevant Exercise Notice; and

- (d) following delivery of the Cancelled Certificates to the Registrar for cancellation pursuant to Condition 8(j), to require the Trustee to sell, assign, transfer and convey (as applicable) to the Obligor (or any of its subsidiaries) on the Cancellation Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under the Cancellation Wakala Assets, provided that:
- (i) no Dissolution Event or Potential Dissolution Event has occurred in respect of the Relevant Series;
 - (ii) the Cancellation Wakala Assets are of a Value which is not greater than the aggregate face amount of the Cancelled Certificates less the Cancellation Proportion of the aggregate amount of Deferred Sale Price (which, for the purposes of this paragraph (ii), shall exclude all Murabaha Instalment Profit Amounts forming part of such Deferred Sale Price) then outstanding;
 - (iii) in respect of the Cancellation Wakala Assets (or any of them) no Exercise Notice has been delivered under the Sale Undertaking 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 of Certificates referred to therein has not occurred in accordance with the Conditions; and
 - (iv) the exercise of such right in relation to part only of the aggregate face amount of the Certificates then outstanding will not result in a breach of the Tangibility Requirement,

in each case, on an "as is" basis but free from any Encumbrance (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Sale Undertaking.

Substitution Undertaking

The Substitution Undertaking will be executed as a deed on 11 February 2019 by the Trustee in favour of the Obligor and will be governed by English law.

In relation to each Series, provided that no Total Loss Event has occurred and is continuing (or if a Total Loss Event has occurred, the Lease Assets have been replaced in accordance with the Service Agency Agreement), the Trustee irrevocably grants to the Obligor the right to require the Trustee to sell, assign, transfer and convey (as applicable) to the Obligor (or any of its subsidiaries) on the Substitution Date all of the Trustee's rights, title, interests, benefits and entitlements in, to and under, the Substituted Wakala Assets against the sale, assignment, transfer and conveyance (as applicable) to the Trustee of all of the Obligor's (or the relevant subsidiary's) rights, title, interests, benefits and entitlements in, to and under, the New Wakala Assets, provided that:

- (a) no Dissolution Event or Potential Dissolution Event has occurred in respect of such Series;
- (b) the New Wakala Assets are of a Value which (i) is equal to or greater than the Value of the Substituted Wakala Assets and (ii) when aggregated with the Value of any Wakala Assets not replaced or substituted on the Substitution Date, satisfies the Tangibility Requirement;
- (c) the Securities Interests relating to any Securities forming part of the New Wakala Assets satisfy the Eligibility Criteria; and

- (d) in respect of the Substituted Wakala Assets (or any of them) no Exercise Notice has been delivered under the Purchase Undertaking nor has any Exercise Notice been delivered under the Sale Undertaking, in each case where such Exercise Notice remains outstanding and the related redemption of Certificates referred to therein has not occurred in accordance with the Conditions,

in each case, on an "as is" basis but free from any Encumbrance (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Substitution Undertaking.

Master Murabaha Agreement

The Master Murabaha Agreement will be entered into on 11 February 2019 between the Trustee (in its capacity as seller and trustee) and the Obligor (in its capacity as the buyer) and will be governed by English law.

In connection with each Series of Certificates, the Trustee may enter into a Commodity Murabaha Investment with the Obligor on the Issue Date for the relevant Series using no more than 49 per cent. of the aggregate face amount of such Series.

Pursuant to the Master Murabaha Agreement, the Trustee may, on receipt of a Purchase Order from the Obligor, on the Issue Date for the relevant Series and on the terms set out in the Purchase Order enter into purchase transactions with commodity suppliers to purchase Commodities at the relevant Commodity Purchase Price. Following the purchase of the Commodities by the Trustee, and provided that the Trustee has acquired title to, and actual or constructive possession of, the Commodities, the Trustee may deliver to the Obligor no later than the Issue Date a Letter of Offer and Acceptance indicating the Trustee's acceptance of the terms of the Purchase Order made by the Obligor and detailing the terms of the offer for the sale of the Commodities to the Obligor from the Trustee by no later than the relevant Issue Date.

Provided that the Obligor has delivered a duly completed Purchase Order in accordance with the terms of the Master Murabaha Agreement, the Obligor will irrevocably and unconditionally undertake to accept the terms of, countersign and deliver to the Trustee any Letter of Offer and Acceptance delivered to it in accordance with the Master Murabaha Agreement and (as a result of the Trustee having acted on the request of the Obligor set out in the Purchase Order) purchase the Commodities acquired by the Trustee for the Deferred Sale Price (to be paid in the Specified Currency and amounts, and on the dates as specified in the relevant Letter of Offer and Acceptance).

As soon as the Obligor has countersigned the Letter of Offer and Acceptance, a Murabaha Contract shall be created between the Trustee and the Obligor upon the terms of the Letter of Offer and Acceptance, and incorporating the terms and conditions set out in the Master Murabaha Agreement, and ownership of and all risks in and to the relevant Commodities shall immediately pass to and be vested in the Obligor, together with all rights and obligations relating thereto.

The Obligor has agreed in the Master Murabaha Agreement that all payments by it under the Master Murabaha Agreement must be made without any withholding or deduction for or on account of Taxes unless required by law and without set-off or counterclaim of any kind. If there is any such withholding or deduction, the Obligor shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been receivable by it if no withholding or deduction had been made. The payment obligations of the Obligor under the Master Murabaha Agreement and any Murabaha Contract are and will be direct, unconditional, unsubordinated and (subject to the negative pledge provisions described in Condition 6(b)) 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)) rank at least equally with all other unsecured and unsubordinated obligations of the Obligor, present and future.

Declaration of Trust

The Master Declaration of Trust will be entered into on 11 February 2019 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 the **Declaration of Trust**).

The Trust Assets in respect of each Series of Certificates shall comprise:

- (a) the cash proceeds of the issue of Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (b) the rights, title, interest, benefits and entitlements, present and future of the Trustee in, to and under the Wakala Portfolio;
- (c) the rights, title, interest, benefits and entitlements, present and future of the Trustee in, to and under 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).

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 the holders of the Certificates as beneficiaries *pro rata* according to the face amount of the 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) exercise all of the present and future powers (including the power to sub-delegate), trusts, 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, (a) exercise all of the rights of the Trustee under the Purchase Undertaking and any of the other Transaction Documents and (b) 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 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 or managing 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 and will take effect from the date of the Declaration of Trust. Each of the Obligor and the Trustee will confirm in the Master Declaration of Trust that the Delegate may 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, the Obligor 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 the 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 and maintained in London in respect of each Series of Certificates. Moneys 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 moneys credited to the Transaction Account in respect of each Series will be applied in the order of priority set out in Condition 5(b).

The Obligor has covenanted and undertaken in the Master Declaration of Trust that if the relevant Exercise Price, Certificateholder Put Right Exercise Price or Change of Control Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, the Obligor shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the outstanding Certificates of such Series, the Certificateholder Put Right Certificates or the Change of Control Certificates, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price, Certificateholder Put Right Exercise Price or Change of Control Exercise Price, as the case may be.

The Obligor has further covenanted and undertaken in the Master Declaration of Trust that if the outstanding Deferred Sale Price is not paid on the relevant Dissolution Date in accordance with the provisions of the Master Murabaha Agreement for any reason whatsoever, the Obligor shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption of the outstanding Certificates of such Series and, accordingly, the amount payable under any such indemnity claim will equal the outstanding Deferred Sale Price.

Agency Agreement

The Agency Agreement will be entered into on 11 February 2019 in relation to the Certificates between, amongst others, the Trustee, the Obligor, 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.

Shariah Compliance

Each Transaction Document to which it is a party provides that each of Mumtalakat Sukuk Holding Company and Bahrain Mumtalakat Holding Company B.S.C. (c) agrees that it has accepted the Shariah compliant nature of the Transaction Documents to which it is a party and, to the extent permitted by law, further agrees that:

- (a) it shall not claim that any of its obligations under the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires* or not compliant with the principles of Shariah;
- (b) it shall not take any steps or bring any proceedings in any forum to challenge the Shariah compliance of the Transaction Documents to which it is a party; and
- (c) none of its obligations under the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Transaction Documents to which is a party are not compliant with the principles of Shariah.

Defined Terms

Certificateholder Put Right Certificates means, in respect of an exercise of the Certificateholder Put Right in accordance with the Purchase Undertaking, the Certificates specified as such in the relevant Exercise Notice;

Certificateholder Put Right Exercise Price means, in relation to each relevant Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the Certificateholder Put Right Certificates; plus
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificateholder Put Right Certificates; plus
- (c) if all of the Certificates of a Series are being redeemed, an amount equal to the sum of any Outstanding Liquidity Amounts (if any) and, to the extent not previously satisfied in accordance with the Service Agency Agreement, any outstanding Service Agent Liabilities Amounts; plus
- (d) without double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate pursuant to Condition 5(b)(i)); plus
- (e) without double counting, any other amounts payable in relation to the Certificateholder Put Right Certificates as specified in the applicable Final Terms; less
- (f) the Certificateholder Put Right Proportion of the aggregate amounts of Deferred Sale Price then outstanding (if any) on the Certificateholder Put Right Date;

Certificateholder Put Right Proportion means, in relation to each relevant Series, such proportion as is determined by dividing (a) the aggregate face amount of the Certificateholder Put Right Certificates by (b) the aggregate face amount of the Certificates of the relevant Series then outstanding;

Certificateholder Put Right Wakala Assets means, in respect of an exercise of the Certificateholder Put Right in accordance with the Purchase Undertaking, the Wakala Assets specified as such in the relevant Exercise Notice;

Change of Control Certificates means, in respect of an exercise of the Change of Control Put Right in accordance with the Purchase Undertaking, the Certificates specified as such in the relevant Exercise Notice;

Change of Control Exercise Price means, in relation to each relevant Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the Change of Control Certificates; plus
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Change of Control Certificates; plus
- (c) if all of the Certificates of a Series are being redeemed, an amount equal to the sum of any Outstanding Liquidity Amounts (if any) and, to the extent not previously satisfied in accordance with the Service Agency Agreement, any outstanding Service Agent Liabilities Amounts; plus
- (d) without double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate pursuant to Condition 5(b)(i)); plus
- (e) without double counting, any other amounts payable in relation to the Change of Control Certificates as specified in the applicable Final Terms; less
- (f) the Change of Control Proportion of the aggregate amounts of Deferred Sale Price then outstanding (if any) on the Change of Control Put Date;

Change of Control Proportion means, in relation to each relevant Series, such proportion as is determined by dividing (a) the aggregate face amount of the Change of Control Certificates by (b) the aggregate face amount of the Certificates of the relevant Series then outstanding;

Change of Control Wakala Assets means, in respect of an exercise of the Change of Control Put Right in accordance with the Purchase Undertaking, the Wakala Assets specified as such in the relevant Exercise Notice;

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 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 aggregate face amount 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;

Eligibility Criteria means:

- (a) in respect of any Share:
 - (i) the core business activities of the Relevant Company in which the Shares are issued comply with the principles of Shariah and, in particular, the Relevant Company does not undertake core business activities or core investments in the following industry sectors:
 - (A) conventional finance;
 - (B) conventional insurance;
 - (C) alcohol;

- (D) pork-related products and production, packaging and processing of food that is prohibited under Shariah or any other activities related to pork and food that is prohibited under Shariah;
 - (E) advertising and media (excluding media and advertising companies generating revenues in excess of 65 per cent. of total income from the GCC countries, newspapers, news channels and sports channels);
 - (F) tobacco;
 - (G) cloning;
 - (H) gambling;
 - (I) pornography; and
 - (J) trading of gold and silver as cash on deferred basis;
- (ii) in relation to the Relevant Company in which the Shares are issued:
- (A) its total conventional finance debt obligations are less than 33 per cent. of, if the Relevant Company's Shares are unlisted, its total assets or, if the Relevant Company's Shares are listed, its average market capitalisation over the past 36 months (in each case, as specified in its most recent set of audited financial statements) (for the avoidance of doubt, this ratio excludes the Islamic finance debt obligations of the company);
 - (B) its total cash plus interest bearing investments and deposits are less than 33 per cent. of, if the Relevant Company's Shares are unlisted, its total assets or, if the Relevant Company's Shares are listed, its average market capitalisation over the past 36 months (in each case, as specified in its most recent set of audited financial statements);
 - (C) its accounts receivables are less than 49 per cent. of, if the Relevant Company's Shares are unlisted, its total assets or, if the Relevant Company's Shares are listed, its average market capitalisation over the past 36 months (in each case, as specified in its most recent set of audited financial statements); and
 - (D) its total revenue per annum from non-permissible income (other than interest income) that does not comply with Shariah does not exceed more than five per cent. of its total revenues per annum (as specified in its most recent set of audited financial statements);
- (iii) the Shares are fully paid; and
- (iv) all Taxes and other outstanding monetary obligations due and payable in respect of the Shares have been paid in full; and
- (b) in respect of any Sukuk:
- (i) there are underlying assets or an asset portfolio and the majority of such underlying assets or asset portfolio is comprised of tangible assets;
 - (ii) the relevant Sukuk Obligor is not in breach of its payment obligations thereunder or any related transaction documentation;

- (iii) the obligations of the Sukuk Obligor constitute its legal, valid, binding and (subject to the laws of bankruptcy and other laws affecting the rights of creditors generally) enforceable obligations in the jurisdiction in which it is located and the jurisdiction in which any related asset is located;
- (iv) Mumtalakat is entitled to receive all payments due or proceeds of sale, as the case may be;
- (v) a fatwa was delivered in connection with the issuance thereof confirming that the Sukuk and the related transaction documentation entered into by the Sukuk Obligor is Shariah-compliant; and
- (vi) the Sukuk is capable of being sold, assigned and/or transferred, as applicable, by the Seller to the Purchaser in accordance with the terms set out in the Service Agency Agreement;

Encumbrance means any lien, pledge, mortgage, security interest, deed of trust, assignment, charge or other encumbrance or arrangement having a similar effect;

Exercise Price means, in relation to each Series, an amount equal to the aggregate of:

- (a) the aggregate face amount of the Certificates then outstanding on the relevant Dissolution Date; plus
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates; plus
- (c) an amount equal to the sum of any Outstanding Liquidity Amounts (if any) and, to the extent not previously satisfied in accordance with the Service Agency Agreement, any outstanding Service Agent Liabilities Amounts; plus
- (d) without double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate pursuant to Condition 5(b)(i)); plus
- (e) without double counting, any other amounts payable on redemption of the Certificates as specified in the applicable Final Terms (including, if applicable, any Make-Whole Dissolution Amount); less
- (f) the aggregate amounts of Deferred Sale Price then outstanding (if any) on the relevant Dissolution Date;

Letter of Offer and Acceptance means, in relation to a Murabaha Contract, the letter to be delivered by the Trustee to the Obligor substantially in the form set out in Schedule 2 to the Master Murabaha Agreement;

Major Maintenance and Structural Repair means all structural repair and major maintenance, including the doing of such acts or things and the taking of such steps to ensure that the Lease Assets suffer no damage, loss or diminution in value (excluding Ordinary Maintenance and Repair) without which the Lease Assets could not be reasonably and properly used by the Obligor (as lessee);

New Wakala Assets means the Wakala Assets specified as such in the relevant Substitution Request or Substitution Notice, as the context requires;

Ordinary Maintenance and Repair means all repairs, replacements, acts, maintenance and upkeep works required for the general use and operation of the Lease Assets and to keep, repair, maintain and preserve the Lease 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;

Purchase Order means, in relation to a Murabaha Contract, the irrevocable purchase order to be delivered by the Obligor to the Trustee substantially in the form set out in Schedule 1 to the Master Murabaha Agreement;

Relevant Company means a member of the Group;

Service Agent Liabilities Amount means, in relation to 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;

Shares means shares in one or more Relevant Companies and **Share** shall be construed accordingly;

Shariah Adviser means any reputable independent Shariah adviser(s) as may be appointed by Mumtalakat for such purpose in connection with a Series;

Substituted Wakala Assets means the Wakala Assets specified as such in the relevant Substitution Request or Substitution Notice, as the context requires;

Substitution Date means the date specified as such in the relevant Substitution Notice;

Substitution Notice means a substitution notice in or substantially in the form set out in Schedule 1 to the Substitution Undertaking;

Substitution Request means a substitution request in or substantially in the form set out in the Schedule to the Service Agency Agreement;

Sukuk means Shariah-compliant sukuk or trust certificates held by, or on behalf of, the Obligor;

Sukuk Obligor means, in relation to any Sukuk, the relevant issuer, obligor, guarantor, and/or any other person who has payment obligations thereunder, as the case may be;

Taxes means any tax, levy, impost, duty or other charge or withholding of a similar nature;

Value means, in relation to each Series, on any date, the amount in the Specified Currency determined by the Service Agent on the relevant 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 Lease Assets; (ii) if applicable, the Value of each Security which Value shall be equivalent to the Securities Interests relating to each such Security; and (iii) the Value of the Commodity Murabaha Investment, each calculated as described in paragraphs (b), (c) and (d), respectively;
- (b) in respect of any Lease Assets applicable to the relevant Series, the value of that Lease Asset by reference to the valuation by Mumtalakat on the basis of the market value of such Lease Asset on the date on which it was purchased or otherwise acquired by the Trustee as set out in the relevant Supplemental Purchase Agreement, Substitution Request, Substitution Notice and/or Transfer Agreement, as the case may be;
- (c) in respect of any Securities or the Securities Interests relating to any Securities applicable to the relevant Series;

- (i) in the case of any such Securities that are Shares:
 - (A) if such Securities are listed on a stock exchange on the relevant date, the market value or market price, as the case may be, of the Securities; and/or
 - (B) if such Securities are not listed on any stock exchange on the relevant date, the book value of the Securities determined by reference to the most recent audited consolidated financial statements of Mumtalakat; and/or
- (ii) in the case of any such Securities that are Sukuk, the aggregate of all outstanding amounts payable in the nature of capital or principal; and
- (d) in respect of a Commodity Murabaha Investment applicable to the relevant Series, the aggregate of all amounts of the relevant Deferred Sale Price then outstanding and any other outstanding amounts payable in respect of such Commodity Murabaha Investment on or after the relevant date;

Wakala Distribution Date means, in relation to a Series, each Periodic Distribution Date;

Wakala Distribution Determination Date means, in relation to a Series, the Business Day immediately preceding each Wakala Distribution Date;

Wakala Distribution Period means, in relation to a Series, the period beginning on (and including) the Issue Date and ending on (but excluding) the first Wakala Distribution Date and each successive period beginning on (and including) a Wakala Distribution Date and ending on (but excluding) the immediately following Wakala Distribution Date;

Wakala Ownership Period means, in relation to each Series, the period commencing on the Issue Date and ending on the date on which all of the Certificates of that Series are redeemed in full;

Wakala Portfolio means, in relation to each Series and as applicable, the Wakala Assets and the Commodity Murabaha Investment for such Series and all other rights arising under or with respect to the Wakala Assets and the Commodity Murabaha Investment (including the right to receive payment of Rentals, the Deferred Sale Price and any other amounts or distributions due in connection with the relevant Lease Assets, Securities and Commodity Murabaha Investment); and

Wakala Services means, in relation to each Series, the services specified in the Service Agency Agreement to be provided by the Service Agent on behalf of the Trustee, in accordance with the terms and conditions of the Service Agency Agreement.

TAXATION

The following is a general description of certain Cayman Island, Bahraini and European Union 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 the Certificates should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the 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 Trustee has obtained an undertaking from the Governor in Cabinet of the Cayman Islands, pursuant to the Tax Concessions Law (1999 Revision) of the Cayman Islands, that for a period of 20 years from the date of grant of that undertaking 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 (1999 Revision). No capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of the 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.

Bahrain

As at the date of this Base Prospectus, there are no taxes payable with respect to income, withholding or capital gains under existing Bahraini laws. Corporate income tax is only levied on oil, gas and petroleum companies at a flat rate of 46 per cent. This tax is applicable to any oil company conducting business activity of any kind in Bahrain, including oil production, refining and exploration, regardless of the company's place of incorporation.

There are no currency or exchange control restrictions currently in force under Bahraini law and the free transfer of currency into and out of Bahrain is permitted, subject to any anti-money laundering regulations and international regulations in force from time to time.

Under existing Bahraini laws, payments under the Certificates will not be subject to taxation in Bahrain, no withholding will be required on such payments to any holder of Certificates and gains derived from

the sale of the Certificates will not be subject to Bahraini income, withholding or capital gains tax. In the event of the imposition of any such withholding, the Obligor has undertaken to gross-up any payments subject to such withholding, as described under Condition 10.

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. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to 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: (i) by transacting with a person established in a participating Member State; or (ii) 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 the 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, 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 Trustee 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 the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are 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.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 11 February 2019 between the Trustee, the Obligor, the Arrangers and the 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 the 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 the 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 a commission as agreed between them in respect of the Certificates subscribed by it and a further placing commission may be paid to third parties.

The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe the 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.

In addition, in the ordinary course of their business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Obligor or the Obligor's affiliates. Certain of the Dealers or their respective affiliates that have a lending relationship with the Obligor routinely hedge their credit exposure to the Obligor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Obligor, including potentially the Certificates issued under the Programme. Any such positions could adversely affect future trading prices of the Certificates issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

United States

The Certificates have not been and will not be registered under the Securities Act, as amended, 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, sell or deliver the 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 the 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 Restrictions under the Prospectus Directive

In relation to each Member State of the European Economic Area (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 Base Prospectus as completed by the applicable 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:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) 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;
- (c) at any time if the denomination per Certificate being offered amounts to at least €100,000 (or equivalent); or
- (d) 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 paragraphs (a) to (d) (inclusive) above shall require the Trustee, the Obligor 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.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) 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;
- (b) 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
- (c) 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.

Cayman Islands

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 made and will not make, whether directly or indirectly, any offer or invitation to the public in the Cayman Islands to subscribe for any Certificates.

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 to be issued under the Programme 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 the 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:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT Module) of the Dubai Financial Services Authority (the **DFSA**) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

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 Bahrain who are "accredited investors".

For this purpose, an **accredited investor** means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more excluding that person's principal place of residence;
- (b) 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
- (c) 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 9 or Article 10 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority (the **CMA**) resolution number 3-123-2017 dated 27 December 2017 (the **KSA Regulations**), made through an authorised person licensed to carry out arranging activities by the CMA and following a notification to the CMA under Article 11 of 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 9 of the KSA Regulations or by way of a limited offer under Article 10 of the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Certificates by it to a Saudi Investor will be made in compliance with Article 9 or Article 10 of the KSA Regulations.

Each offer of Certificates shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 15 of the KSA Regulations. Any Saudi Investor who has acquired Certificates pursuant to a private placement under Article 9 or Article 10 of the KSA Regulations may not offer or sell those Certificates to any person unless the offer or sale is made through an authorised person appropriately licensed by the CMA and: (a) the Certificates are offered or sold to a Sophisticated Investor (as defined in Article 9 of the KSA Regulations); (b) the price to be paid for the Certificates in any one transaction is equal to or exceeds Saudi Riyals 1 million or an equivalent amount; or (c) the offer of sale is otherwise in compliance with Article 15 of the KSA Regulations.

State of Qatar (including the Qatar 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, delivered or sold, and will not offer, deliver or sell, at any time, directly or indirectly, any Certificates in Qatar 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 (including the Qatar Financial Centre). This Base Prospectus (i) has not been, and will not be, registered with or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre

Regulatory Authority and may not be publicly distributed in Qatar (including the Qatar Financial Centre); (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

State of Kuwait

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Certificates will be offered in Kuwait unless all necessary approvals from the Kuwait Capital Markets Authority pursuant to Law No.7 of 2010 and its executive bylaws, each as amended, together with the various resolutions, regulations, guidance principles and instructions issued pursuant thereto, or in connection therewith (regardless of nomenclature) or any other applicable law or regulation in Kuwait, have been given in respect of the offering, marketing, and sale of the Certificates. For the avoidance of doubt, no Certificates shall be offered, marketed and/or sold in Kuwait except on a private placement basis to Professional Clients (as defined in Module 1 of the executive by laws of Law No.7 of 2010 (each as amended)).

Japan

Each Dealer understands that 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 any 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 (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines 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:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates, except for Certificates which are "structured products" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**), other than: (i) to **professional investors** as defined in the SFO and any rules made under the SFO; or (ii) 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 **CO**) or which do not constitute an offer to the public within the meaning of the CO; and
- (b) 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, in each case 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

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 **CMSA**).

Accordingly, 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 delivered by it, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, by it nor may any document or other material in connection therewith be distributed by it in Malaysia, other than to persons falling within any one of the categories of persons specified under Schedule 6 (or Section 229(1)(b)), Schedule 7 (or Section 230(1)(b)) and Schedule 8 (or Section 257(3)) of the CMSA read together with Schedule 9 (or Section 257(3)) of the CMSA, 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 any Certificates or cause the 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 the Certificates, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, 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 provisions of the SFA.

Where the 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 or securities-based derivatives contracts (each term as defined in Section 2(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, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or
- (b) where no consideration is or will be given for the transfer; or
- (c) where the transfer is by operation of law; or
- (d) as specified in Section 276(7) of the SFA; or

- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

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, sells or delivers the Certificates or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms therefor in all cases at its own expense.

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 regulated market of Euronext Dublin or any other MiFID II 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 of Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Directive.
- (2) Application has been made to Euronext Dublin 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 regulated market of Euronext Dublin. It is expected that each Series of Certificates which is to be admitted to the Official List and to trading on the regulated market of Euronext Dublin 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 Euronext Dublin in accordance with its rules. Transactions on the regulated market of Euronext Dublin 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 was authorised by a written resolution of the board of directors of the Trustee dated 3 February 2019, a written resolution of the board of directors of the Obligor dated 29 November 2017 and a written resolution of the shareholder of the Obligor dated 2 January 2019.
- (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 30 June 2018 and there has been no material adverse change in the prospects of the Obligor or of the Group since 31 December 2017.

- (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 12 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) 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 the Certificates.
- (9) For the period of 12 months following the date of this Base Prospectus, physical copies (and English translations, which will be accurate and direct translations, where the documents in question are not in English) of the following documents will be available, during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays), for inspection and/or collection by the Certificateholders at the registered office of the Trustee and the specified office of the Principal Paying Agent:
- (i) the constitutional documents of the Trustee and the Obligor;
 - (ii) the Transaction Documents;
 - (iii) the unaudited interim condensed consolidated financial statements of the Obligor as at and for the six-month period ended 30 June 2018, together with the review report prepared in connection therewith;
 - (iv) the audited consolidated financial statements of the Obligor as at and for the years ended 31 December 2016 and 31 December 2017, together with the respective audit report prepared in connection therewith;
 - (v) 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;
 - (vi) 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 the Certificates and identity);
 - (vii) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and
 - (viii) 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 regulated market of Euronext Dublin and, for a period of 12 months only from the date hereof, this Base Prospectus will be published on the website of Euronext Dublin (www.ise.ie).

- (10) 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.

- (11) Ernst & Young Middle East of P.O. Box 140, 10th Floor, East Tower, Bahrain World Trade Centre, Manama, Kingdom of Bahrain (**EY**) have audited the consolidated financial statements of the Obligor for the years ended 31 December 2016 and 31 December 2017 in accordance with the International Standards on Auditing (ISAs), and rendered unqualified audit opinions, as stated in their reports incorporated by reference herein. EY have reviewed, in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" the unaudited interim condensed consolidated financial statements as at and for the six-month period 30 June 2018 and rendered an unqualified review report, as stated in their review report incorporated by reference herein.

With respect to the unaudited interim condensed consolidated financial statements, EY reported that they have applied limited procedures in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Auditor of the Entity". However, their report dated 3 October 2018, incorporated by reference herein, states that they did not audit and they do not express any audit opinion on that interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

EY is registered with the Ministry of Industry, Commerce and Tourism in Bahrain. Some of the professionals of EY are members in the Bahrain Accountants Association and/or other professional international bodies.

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

Mumtalakat Sukuk Holding Company

c/o Maples Corporate Services Limited
P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

THE OBLIGOR

Bahrain Mumtalakat Holding Company B.S.C. (c)

Building 551
Flat 401
Road 4612
Manama/Seafront 346
Kingdom of Bahrain

ARRANGERS AND DEALERS

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

National Bank of Bahrain B.S.C.

P.O. Box 106
NBB Old Tower
Government Avenue
Manama
Kingdom of Bahrain

DEALERS

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Standard Chartered Bank

P.O. Box 999
Dubai
United Arab Emirates

DELEGATE

Citibank N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

REGISTRAR

Citigroup Global Markets Europe AG
Reuterweg 16
D-60323
Frankfurt AM Main
Germany

PRINCIPAL PAYING AGENT AND CALCULATION AGENT

Citibank N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

TRANSFER AGENT

Citibank Europe PLC

1 North Wall Quay
Dublin 1
Ireland

AUDITORS

Ernst & Young Middle East

P.O. Box 140
10th Floor, East Tower
Bahrain World Trade Centre
Manama
Kingdom of Bahrain

LISTING AGENT

Arthur Cox Listing Services Limited

Ten Earlsfort Terrace
Dublin 2
Ireland

LEGAL ADVISERS

To the Trustee

in respect of Cayman Islands law

Maples and Calder

Level 14, Burj Daman
Dubai International Financial Centre
PO Box 119980
Dubai
UAE

To the Obligor

in respect of English law

Clifford Chance LLP
Level 15, Burj Daman
Dubai International Financial Centre
P.O. Box 9380
Dubai
United Arab Emirates

in respect of Bahraini law

Zu'bi & Partners
Attorneys & Legal Consultants
Road 4626, Block 346
Financial Harbour District
Manama
Bahrain

To the Dealers

in respect of English law

Allen & Overy LLP
11th Floor
Burj Daman Building
Happiness Street
Dubai International Financial Centre
P.O. Box 506678
Dubai
United Arab Emirates

in respect of Bahraini law

Hassan Radhi & Associates
Attorneys & Legal Consultants
ERA Business Centre – Floors 18 & 19
Building 361, Road 1705
Diplomatic Area 317
P.O. Box 5366
Manama
Bahrain

To the Delegate

in respect of English law

Allen & Overy LLP
One Bishops Square
London
E1 6AD
United Kingdom