

IMPORTANT NOTICE

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OR FOR THE ACCOUNT OF OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED) OR ANY OTHER JURISDICTION WHERE IT WOULD BE UNLAWFUL TO DO SO.

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

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

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

In order to constitute "alternative finance investment bonds" ("**AFIBs**") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544), as amended, Certificates (as defined herein) issued under the Programme (as defined herein) will need to satisfy (amongst other requirements) one of the conditions mentioned in paragraph (2)(f) of that Article, which includes that, if such Certificates are issued after 31 December 2020, they will need to be admitted to trading on a recognised investment exchange or a United Kingdom trading venue or admitted to the official list of the United Kingdom Financial Conduct Authority (the "**FCA**"). Any Certificates which do not constitute AFIBs will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000 (the "**FSMA**")) which has not been authorised, recognised or otherwise approved by the FCA. 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 applicable Final Terms (as defined herein) and any other marketing materials relating to the Certificates is being addressed to, or directed at: (i) if the distribution (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: (a) 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**"); (b) persons falling within any of the categories of persons described in Article 49 of the Financial Promotion Order; and (c) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (ii) 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: (a) 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**"); (b) persons falling within any of the categories of person described in Article 22 of the Promotion of CISs Order; and (c) any other person to whom it may otherwise lawfully be promoted (all such persons together being referred to as relevant persons). Persons of any other description in the United Kingdom may not receive and should not act or rely on this Base Prospectus, any applicable Final Terms or any other marketing materials in relation to any Certificates. This communication is being directed only at persons having professional experience in matters relating to investments and any investment or investment activity to which this communication relates will be engaged in only with such persons. No other person should rely on it.

Confirmation of your representation: By accessing the Base Prospectus you confirm to EI Sukuk Company Ltd. (in its capacities as issuer and as trustee, the "**Trustee**"), to Emirates Islamic Bank PJSC ("**Emirates Islamic**"), to Emirates Islamic Bank PJSC, Emirate NBD Bank PJSC and Standard Chartered Bank (the "**Arrangers**"), to Emirates Islamic Bank PJSC, Emirates NBD Bank PJSC, Standard Chartered Bank and any other dealers appointed under the Programme from time to time by Emirates Islamic and the Trustee, which appointment may be for a specific issue of securities or on an ongoing basis (together, the "**Dealers**") that: (i) you understand and agree to the terms set out herein; (ii) you are not a U.S. person (within the meaning of Regulation S), or acting for the account or benefit of any U.S. person, and, that you are not in the United States, its territories and possessions; (iii) you are a person who is permitted under applicable law and regulation to receive this Base Prospectus; (iv) you consent to delivery of such Base Prospectus and any supplements thereto by electronic transmission; (v) you will not transmit the Base Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person; and (vi) you acknowledge that you will make your own assessment regarding any credit, investment, legal, Shariah, taxation or other economic considerations with respect to your decision to subscribe or purchase any of securities described in the Base Prospectus.

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

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

Recipients of the Base Prospectus who intend to subscribe for or purchase the securities described in the Base Prospectus are reminded that any subscription or purchase may only be made on the basis of the information contained in the Base Prospectus, the applicable Final Terms and/or supplement(s) to the Base Prospectus (if any).

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

The Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Emirates Islamic, the Trustee, the Arrangers nor the Dealers nor any person who controls them nor any director, officer, employee nor agent of them or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from Emirates Islamic, the Trustee, the Arrangers and the Dealers. Please ensure that your copy is complete. Any reply e-mail communications, including those you generate by using the "reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



EI SUKUK COMPANY LTD.

(incorporated as an exempted company in the Cayman Islands with limited liability)

U.S.\$2,500,000,000

Certificate Issuance Programme

Under the U.S.\$2,500,000,000 certificate issuance programme described in this Base Prospectus (the "**Programme**"), EI Sukuk Company Ltd. (in its capacity as issuer and, in its capacity as trustee, the "**Trustee**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue trust certificates (the "**Certificates**") in any currency agreed between the Trustee, the Obligor and the relevant Dealer(s) (each as defined below).

Certificates may only be issued in registered form. The maximum aggregate face amount of all Certificates from time to time outstanding under the Programme will not exceed U.S.\$2,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Certificates may be issued on a continuing basis to one or more of the Dealers (each a "**Dealer**" and together the "**Dealers**") specified under "*General Description of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Trustee, which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" 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.

The Certificates will be limited recourse obligations of the Trustee. An investment in Certificates issued under the Programme involves certain risks. For a discussion of these risks, see "Risk Factors" beginning on page 1.

Each Series (as defined herein) of Certificates issued under the Programme will be constituted by: (i) an amended and restated master trust deed (such master trust deed as modified and/or supplemented and/or further amended and restated from time to time, the "**Master Trust Deed**") dated 7 February 2023 entered into between the Trustee, Emirates Islamic Bank PJSC as obligor (the "**Obligor**" or "**Emirates Islamic**") and Citibank N.A., London Branch as delegate of the Trustee (in such capacity, the "**Delegate**"); and (ii) supplemental trust deed(s) (each, a "**Supplemental Trust Deed**") in relation to the relevant Series. Certificates of each Series (as defined herein) confer on the holders of the Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series over the Sukuk Portfolio (as defined herein).

The Trustee may agree with any Dealer that Certificates may be issued with terms and conditions not contemplated by the terms and conditions of the Certificates herein (the "**Conditions**"), in which event a supplemental Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Certificates.

This Base Prospectus has been approved as a base prospectus by the Central Bank of Ireland as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Trustee or the Obligor or of the quality of the Certificates. Investors should make their own assessment as to the suitability of investing in the Certificates. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**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 (the "**Official List**") and trading on its regulated market (the "**Regulated Market**"). Such approval relates only to Certificates which are to be admitted to trading on the Regulated Market or any other regulated markets for the purposes of Directive 2014/65/EU on markets in financial instruments, as amended ("**EU MiFID II**") (each such regulated market being an "**EU MiFID Regulated Market**") or which are to be offered to the public in any member state of the European Economic Area ("**EEA**") (each a "**Member State**") in circumstances that require the publication of a prospectus. The Regulated Market is an EU MiFID Regulated Market.

This Base Prospectus has been approved by the Dubai Financial Services Authority (the "**DFSA**") under Rule 2.6 of the DFSA's Markets Rules (the "**Markets Rules**") and is therefore an approved prospectus for the purposes of Article 14 of the DIFC Law No. 1 of 2012 (the "**Markets Law**"). Application has also been made to the DFSA for 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 of securities (the "**DFSA Official List**") maintained by the DFSA and an application may be made to Nasdaq Dubai for any Series of Certificates to be admitted to trading on Nasdaq Dubai.

The DFSA does not accept any responsibility for the content of the information included in this Base Prospectus, including the accuracy or completeness of such information. The liability for the content of this Base Prospectus lies with the Trustee, the Obligor and such other persons, such as experts, whose opinions are included in the Base Prospectus with their consent. The DFSA has also not assessed the suitability of the Certificates to which this Base Prospectus relates to any particular investor or type of investor and has not determined whether they are Shariah-compliant. If you do not understand the contents of this Base Prospectus or are unsure whether the Certificates to which this Base Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.

The purchase of Certificates may involve substantial risks and are only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of the investment in the Certificates.

References in this Base Prospectus to Certificates being "**listed**" (and all related references) shall mean that such Certificates have been: (a) admitted to listing on the Official List and admitted to trading on the Regulated Market or, as the case may be, another EU MiFID Regulated Market; and/or (b) admitted to listing on the DFSA Official List and admitted to trading on Nasdaq Dubai. 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). The Trustee may also issue unlisted Certificates and/or Certificates not admitted to trading on any market.

The Certificates will be delisted from the Official List and/or any other stock exchanges following the occurrence of a Tangibility Event, see Condition 12.5 (*Redemption at the Option of the Certificateholders (Tangibility Event)*).

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Certificates which are to be admitted to trading on an EU MiFID Regulated Market. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Notice of the aggregate face amount of the Certificates, periodic distribution amounts (if any) payable in respect of the Certificates, the issue price of the Certificates and certain other information which is applicable to each Tranche (as defined herein) will be set out in a final terms document (the "**applicable Final Terms**") which, with respect to Certificates to be listed on the Official List, will be delivered to the Central Bank of Ireland and Euronext Dublin, and which, with respect to Certificates to be listed on the DFSA Official List, will be delivered to the DFSA and Nasdaq Dubai.

The Obligor has been assigned ratings of A+ by Fitch Ratings Limited ("**Fitch**") with a stable outlook. Fitch is established in the United Kingdom (the "**UK**") and is registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK CRA Regulation**"). Fitch is not established in the European Union (the "**EU**") and has not applied for registration under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**"). The rating issued by Fitch has been endorsed by Fitch Ratings Ireland Limited. Fitch Ratings Ireland Limited is established in the EU and registered under the CRA Regulation. As such, Fitch Ratings Ireland Limited 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.

The Programme is expected to be rated A+ by Fitch. A Series of Certificates to be issued under the Programme may be rated or unrated. Where a Series is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating applicable to the Programme. **A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction 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 Emirates Islamic Internal Shariah Supervision Committee, the Standard Chartered Bank Global Shariah Supervisory Committee and the Emirates NBD Islamic Internal Shariah Supervision Committee. 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 rules and principles.

ARRANGERS

Emirates Islamic

Standard Chartered Bank

Emirates NBD Capital

DEALERS

Emirates Islamic

Standard Chartered Bank

Emirates NBD Capital

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation. This Base Prospectus complies with the requirements in Part 2 of the Markets Law and Chapter 2 of the Markets Rules.

Each of the Trustee and the Obligor accepts responsibility for the information contained in this Base Prospectus and the applicable Final Terms for each Tranche issued under the Programme. To the best of their knowledge, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein (see "*Documents Incorporated by Reference*") and, in relation to any Tranche of Certificates, should be read and construed together with the applicable Final Terms.

Copies of the applicable Final Terms will be available from the registered office of the Trustee and the specified office set out below of the Principal Paying Agent (as defined below) save that, if the relevant Certificates are neither admitted to trading on an EU MiFID Regulated Market nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation, the applicable Final Terms will only be obtainable by a Certificateholder holding one or more Certificates and such Certificateholder must produce evidence satisfactory to the Trustee or, as the case may be, the Principal Paying Agent as to its holding of such Certificates and identity.

Certain information contained in "*Risk Factors*", "*Description of the Group*" and "*The United Arab Emirates Banking Sector and Regulations*" (as indicated therein) has been extracted from independent, third party sources. Each of the Trustee and the Obligor confirms that such information contained in this Base Prospectus has been accurately reproduced and that, as far as it is aware and is able to ascertain from information published by the relevant third party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus.

Other than in relation to the documents which are deemed to be incorporated by reference herein (see "*Documents Incorporated by Reference*"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus.

The Dealers, the Principal Paying Agent, the Paying Agents, the Calculation Agent, the Transfer Agent and the Registrar (each an "**Agent**" and together, the "**Agents**") and the Delegate have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, the Agents or the Delegate: (i) as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Trustee and the Obligor in connection with the Programme, the Certificates or their distribution; or (ii) for any acts or omissions of the Trustee, the Obligor or any other person in connection with the Base Prospectus or the issue and offering of any Certificates under the Programme.

No person is or has been authorised by the Trustee and the Obligor to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or 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 Delegate, the Agents or the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Certificates: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Trustee, the Obligor, the Delegate, the Agents or the Dealers that any recipient of this Base Prospectus, or any other information supplied in connection with the Programme or any Certificates, should purchase any Certificates. Each investor contemplating purchasing any Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Trustee and the Obligor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Certificates constitutes an offer or invitation by or on behalf of the Trustee, the Obligor, the Delegate, the Agents or the Dealers to any person to subscribe for or to purchase any Certificates.

No comment is made or advice given by the Trustee, the Obligor, the Delegate, the Agents or the Dealers in respect of taxation matters relating to any Certificates or the legality of the purchase of Certificates by an investor under applicable or similar laws.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, SHARIAH ADVISER, LEGAL ADVISER AND BUSINESS ADVISER AS TO TAX, SHARIAH, LEGAL, BUSINESS AND RELATED MATTERS CONCERNING THE PURCHASE OF CERTIFICATES.

Any prospective investor intending to invest in any investment described in this Base Prospectus should consult his professional adviser and ensure that he fully understands all the risks associated with making such an investment and that he has sufficient financial resources to sustain any loss that may arise from such investment.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Certificates shall in any circumstances imply that the information contained herein concerning the Trustee or the Obligor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Delegate, the Agents and the Dealers expressly do not undertake to review the financial condition or affairs of the Trustee or the Obligor at any point, including during the life of the Programme, or to advise any investor in the Certificates of any information coming to their attention.

The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Certificates may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any 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 offer or sale of Certificates may be restricted by law in certain jurisdictions. The Trustee, the Obligor, the Delegate, the Agent and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any 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 Delegate, the Agents or the Dealers which is intended to permit a public offering of any Certificates or 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 or any Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Certificates. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the Cayman Islands, the Dubai International Financial Centre ("**DIFC**"), Hong Kong, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, Malaysia, the People's Republic of China, the EEA, Singapore, the State of Qatar (including the Qatar Financial Centre), the UAE (excluding the DIFC), the UK and the United States (see "*Subscription and Sale*").

PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

Financial Statements

This Base Prospectus incorporates by reference the following financial statements of the Group:

- audited consolidated financial statements as at and for the financial year ended 31 December 2022 (the "**2022 Financial Statements**"); and
- audited consolidated financial statements as at and for the financial year ended 31 December 2021 (the "**2021 Financial Statements**" and, together with the 2022 Financial Statements, the "**Financial Statements**").

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board, guidance of the Central Bank and Islamic Shariah rules and principles and applicable requirements of the Federal laws relating to Islamic banks.

The 2022 Financial Statements and the 2021 Financial Statements have been audited by Deloitte & Touche (M.E.) ("Deloitte") in accordance with International Standards on Auditing ("ISA").

In this Base Prospectus:

- financial information as at and for the financial year ended 31 December 2022 and for the financial year ended 31 December 2021 has been derived from the 2022 Financial Statements; and
- financial information as at and for the financial year ended 31 December 2020 has been derived from the comparative information included in the 2021 Financial Statements.

The Group presents its financial statements in UAE dirham. The Group's financial year ends on 31 December and references in this Base Prospectus to 2022, 2021 and 2020 are to the 12-month period ending on 31 December in each year.

Alternative Performance Measures

This Base Prospectus includes certain non-IFRS measures. Such measures constitute Alternative Performance Measures ("APMs") as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures. Although not defined in accordance with IFRS, Emirates Islamic believes that such measures provide useful supplementary information to both investors and Emirates Islamic's management, as they facilitate the evaluation of company performance. Investors should note that, since not all companies calculate financial measures in the same manner, the APMs included in this Base Prospectus may not be comparable to measures used by other companies. Accordingly, the APMs included in this Base Prospectus should not be considered as substitutes for measures defined according to IFRS.

The following table sets out the APMs included in this Base Prospectus (to the extent such measures are not defined according to IFRS and not included in the Financial Statements incorporated by reference into this Base Prospectus), together with the basis of calculating such APMs, the rationale for inclusion and the reconciliation of such measures to the Financial Statements.

<u>Metric</u>	<u>Calculation</u>	<u>Rationale for inclusion</u>	<u>Reconciliation to 2022 Financial Statements</u>
Capital adequacy ratio	Calculated in accordance with the requirements of the Central Bank. The capital adequacy ratio is the total regulatory capital divided by risk-weighted assets at a given date	Capital strength ratio comprising the ratio of a bank's capital to its risk in order to indicate its financial strength	"Total regulatory capital" and "Risk-weighted assets" as set out in Note 35 to the 2022 Financial Statements
Cost to income ratio	Calculated as general and administrative expenses divided by total operating income	Efficiency ratio which is used to assess the amount spent to earn income	"General and administrative expenses" and "Total operating income" as set out in the Group consolidated income statement
Financing/customer deposits	Calculated as financing receivables divided by customer deposits	Liquidity ratio which indicates how much of the customers' deposits are being used for financing (i.e., a bank's ability to fund its financing book through its customer deposit base)	"Financing receivables" and "Customer deposits" as set out in the Group consolidated statement of financial position
Impaired financing receivables/gross financing receivables	Calculated as impaired financing receivables divided by gross financing receivables (which is total	Asset quality ratio which indicates impaired financing receivables as a percentage of total financing receivables	"Total of Impaired financing receivables", "Total financing receivables" and "Deferred income" as set out in Note 12 to the 2022 Financial Statements

Metric	Calculation	Rationale for inclusion	Reconciliation to 2022 Financial Statements
	financing receivables less deferred income)		
Net financing growth	Calculated as the percentage increase in the sum of financing receivables over the period	Financial ratio which measures a bank's ability to grow its financing book	"Net financing receivables" as set out in Note 12 to the 2022 Financial Statements
Net profit margin	Calculated as net income from financing and investment products divided by the daily average of profit earning assets	Profitability ratio which measures the income/spread a bank makes on its financing activities	"Net income from financing and investment products" as set out in the Group consolidated income statement and daily average of profit earning assets as derived from internal management records
Return on average shareholders' equity	Calculated as profit for the year divided by the average of total equity attributable to equity holders for two years	Profitability ratio which measures the average return to shareholders for their investment and indicates how effectively shareholders' equity is being used to generate profits	"Net profit / (loss) for the year" as set out in the Group consolidated income statement and "Total equity attributable to equity holders of the Group" as set out in the Group consolidated statement of financial position

Certain Definitions and Conventions

In this Base Prospectus, references to:

- **"Abu Dhabi", "Dubai" and "Sharjah"** are to the Emirate of Abu Dhabi, the Emirate of Dubai and the Emirate of Sharjah, respectively;
- **"Central Bank"** are to the UAE Central Bank;
- **"Emirates Islamic"** are to Emirates Islamic Bank PJSC;
- **"Emirates NBD"** are to Emirates NBD Bank PJSC;
- **"GCC"** are to the Gulf Cooperation Council;
- **"GDP"** are to gross domestic product;
- **"Government"** are to the Government of Dubai;
- **"Group"** are to Emirates Islamic and its consolidated subsidiaries taken as a whole;
- **"MENA region"** are to the Middle East and North Africa region;
- **"OPEC"** are to the Organisation of the Petroleum Exporting Countries; and
- **"UAE"** are to the United Arab Emirates.

In addition, in this Base Prospectus, references to: (i) **"AED"** and **"UAE dirham"** are to the lawful currency of the UAE; (ii) **"€"** and **"euro"** are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union; (iii) **"RMB"** and **"Renminbi"** are to the lawful currency of the People's Republic of China (the **"PRC"**) that is deliverable offshore (for this purpose, PRC excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan); and (iv) **"U.S.\$"** and **"U.S. dollars"** are to the lawful currency of the United States. The UAE dirham has been pegged to the U.S. dollar since 22 November 1980. The mid-point between the official buying and selling rates for the UAE dirham is at a fixed rate of AED 3.6725 = U.S.\$1.00. All U.S. dollar equivalents of UAE dirham amounts appearing in this Base Prospectus have been calculated at this fixed exchange rate. The use of such fixed exchange rate should not be construed as a representation that UAE dirham amounts have been or could be converted into U.S. dollars at this or any other rate of exchange.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments; accordingly figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

FORWARD-LOOKING STATEMENTS

This Base Prospectus includes certain forward-looking statements. All statements other than statements of historical facts included in this Base Prospectus including, without limitation, any statements regarding the financial position of Emirates Islamic and/or the Group, or the business strategy, management plans and objectives for future operations of Emirates Islamic, may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue" or similar terminology. Although Emirates Islamic believes that the expectations reflected in the forward-looking statements included in this Base Prospectus are reasonable at this time, there can be no assurance that these expectations will prove to be correct. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements, or industry results, to be materially different from any expressed or implied by forward-looking statements. Forward-looking statements may be based on numerous assumptions regarding the present and future business strategies and the environment in which Emirates Islamic and/or the Group expects to operate in the future. Certain key factors that could cause Emirates Islamic's and/or the Group's actual results, performance or achievements to differ materially from the forward-looking statements included in this Base Prospectus are discussed in "*Risk Factors*". Forward-looking statements speak only as at the date of this Base Prospectus and, subject as required by applicable law or regulation, Emirates Islamic expressly disclaims any obligation or undertaking to publicly update or revise any forward-looking statements in this Base Prospectus to reflect any change in the expectations of Emirates Islamic and/or the Group or any change in events, conditions or circumstances on which any forward-looking statements are based. Given the uncertainties of forward-looking statements, Emirates Islamic cannot assure potential investors that any projected results or events will be achieved and Emirates Islamic cautions potential investors not to place undue reliance on these statements.

SUITABILITY OF INVESTMENTS

The Certificates may not be a suitable investment for all investors. Each potential investor in Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has 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 or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has 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 the relevant Certificates will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Certificates, including where the currency of payment is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the relevant Certificates and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

Some Certificates are complex financial instruments. In some jurisdictions, regulatory authorities have adopted or published laws, regulations and/or guidance with respect to the offer or sale of securities similar to the Certificates. Sophisticated institutional investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce

risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Certificates which are complex financial instruments unless it has the expertise (either alone or with 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.

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: (a) the Certificates are legal investments for it; (b) the Certificates can be used as collateral for various types of financing; and (c) 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 the Certificates under any applicable risk-based capital or similar rules.

USE OF BENCHMARKS

Amounts payable on certain Certificates issued under the Programme may be calculated by reference to certain benchmarks. Details of the administrators of such benchmarks, including details of whether or not, as at the date of this Base Prospectus, each such administrator's name appears on the ESMA Benchmarks Register, are set out below (for definitions of the benchmarks set out below, see the definition of "Reference Rate" in the Conditions).

Benchmark	Administrator	Administrator appears on ESMA Benchmarks Register
BBSW	ASX Limited	No
EIBOR	UAE Central Bank	No
EURIBOR	European Money Markets Institute	Yes
HIBOR	Hong Kong Treasury Markets Association	No
PRIBOR	Czech Financial Benchmark Facility s.r.o.	Yes
SAIBOR	Thomson Reuters	No
SHIBOR	National Interbank Funding Centre	No
TRLIBOR	Banks Association of Turkey	No

As at the date of this Base Prospectus, the administrators of BBSW, EIBOR, HIBOR, SAIBOR, SHIBOR and TRLIBOR are not included in ESMA's register of administrators under Article 36 of Regulation (EU) 2016/1011, as amended (the "**EU Benchmarks Regulation**"). As at the date of this Base Prospectus, the administrators of EURIBOR and PRIBOR are included in ESMA's register of administrators under Article 36 of the EU Benchmarks Regulation.

As far as the Trustee and Obligor are aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that ASX Limited, UAE Central Bank, Hong Kong Treasury Markets Association, Thomson Reuters, National Interbank Funding Centre and Banks Association of Turkey are not currently required to obtain authorisation or registration in the EU (or, in each case, if located outside the EU, recognition, endorsement or equivalence).

If applicable, the applicable Final Terms will also indicate whether or not the relevant benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA.

The registration status of any administrator under the EU Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update this Base Prospectus or any Final Terms to reflect any change in the registration status of an administrator.

STABILISATION

In connection with the issue of any Tranche of Certificates, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons 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 Tranche of Certificates 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 Tranche of Certificates and 60 days after the date of the allotment of the relevant Tranche of Certificates. Any stabilisation action must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

EU MiFID II PRODUCT GOVERNANCE/TARGET MARKET

The Final Terms in respect of any Certificates will include a legend entitled "EU 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 EU 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 Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET

The Final Terms in respect of any Certificates will include a legend entitled "UK MiFIR 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 "**UK distributor**") should take into consideration the target market assessment; however, a UK distributor subject to the UK Financial Conduct Authority (the "**FCA**") Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") 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 UK MiFIR Product Governance Rules, any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE, AS MODIFIED OR AMENDED FROM TIME TO TIME (THE "SFA")

Unless otherwise stated in the applicable Final Terms, the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Certificates issued or to be issued under the Programme are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) 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).

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 advisors 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 Delegate, the Agents, the Arrangers or the Dealers, 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.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

Any Certificates 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) Order 2001/544, as amended, 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 FCA. Accordingly, any Certificates to be issued under the Programme must not be marketed in the UK to the general public and this Base Prospectus is not being distributed to, and must not be passed on to, the general public in the UK.

The distribution in the UK of this Base Prospectus, any applicable Final Terms and any other marketing materials relating to the Certificates is being addressed to, or directed at: (i) 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: (a) 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**"); (b) 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 (c) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (ii) 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: (a) 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**"); (b) 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 (c) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order. Persons of any other description in the UK may not receive and should not act or rely on this Base Prospectus, any applicable Final Terms or any other marketing materials in relation to any Certificates.

Prospective investors in the UK in any Certificates are advised that all, or most, of the protections afforded by the UK regulatory system will not apply to an investment in such Certificates and that compensation will not be available under the UK 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 THE CAYMAN ISLANDS

No invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for any Certificates 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.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

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

This Base Prospectus does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Prospectus and any 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 Certificates, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors (as such term is defined by the CBB) for an offer outside the Kingdom of Bahrain.

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

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

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

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. Prospective purchasers of the Certificates should conduct their own due diligence on the accuracy of the information relating to the Certificates. If a prospective purchaser does not understand the contents of this Base Prospectus, he or she should consult an authorised financial adviser.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

The Certificates will not be offered, sold or delivered, at any time, directly or indirectly, in the State of 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 Central Bank, the Qatar Stock Exchange, the Qatar Financial Centre Regulatory Authority or the Qatar Financial Markets Authority in accordance with their regulations or any other regulations in the State of Qatar (including the Qatar Financial Centre). The Certificates are not and will not be traded on the Qatar Stock Exchange.

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RISK FACTORS

Each of the Trustee and the Obligor believes that the following factors may affect its ability to fulfil its obligations in respect of the Certificates issued under the Programme. In addition, factors which are material for the purpose of assessing the market risks associated with the Certificates issued under the Programme are also described below.

If any of the risks described below actually materialise, the Trustee's and/or the Obligor's business, results of operations, financial condition or prospects could be materially and adversely affected. If that were to occur, the trading price of the Certificates could decline and investors could lose all or part of their investment.

Each of the Trustee and the Obligor believes that the factors described below represent all the material risks inherent in investing in the Certificates issued under the Programme, but the inability of the Trustee to pay any amounts on or in connection with any Certificate may occur for other reasons which may not be considered significant risks by the Trustee and/or the Obligor based on information currently available to them or which they may not currently be able to anticipate. 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 "Terms and Conditions of the Certificates" shall have the same meanings in the following section.

Risk Factors Relating to the Trustee's Ability to Fulfil its Obligations under the Certificates

The Trustee 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 and other activities incidental or related to the foregoing as required under the Transaction Documents.

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 its right to receive payments under the relevant Transaction Documents. The ability of the Trustee to pay amounts due on the Certificates of each Series will primarily be dependent upon receipt by the Trustee of all amounts due from the Obligor under the relevant Transaction Documents. 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 their respective obligations under the Transaction Documents to which they are a party. For a description of these risks, please see "*Risk Factors Relating to the Group's Business Activities*".

Risk Factors Relating to the Group's Business Activities

In the course of its business activities, the Group is exposed to a variety of risks, the most significant of which are market risks, liquidity risks, credit risks and operational risks. Although Emirates Islamic believes it has implemented appropriate policies, systems and processes to control and mitigate these risks (see further "Description of the Group – Risk Management"), investors should note that any failure to adequately control these risks, or predict unexpected market events that are beyond the control of the Group, could be greater than anticipated and could have a material adverse effect on the Group's reputation, business, results of operations, financial condition and prospects and thereby affect Emirates Islamic's ability to perform its obligations under the Transaction Documents to which it is a party.

The Group is exposed to market risks due to its operations as a financial institution

The Group's operations expose it to market risks, which is the potential for adverse changes in the market value of portfolio and positions due to fluctuations in benchmark rates, exchange rates, equity prices, commodity prices, as well as in their correlation and implied volatility. Consistent with the Group's approach to strict compliance with Shariah rules and principles, the Group does not engage in speculative transactions. However, the Group, in common with other financial institutions, is susceptible to changes in the macro-economic environment and the performance of financial markets generally. As at the date of this Base Prospectus, the global macro-economic climate remains volatile for a number of reasons, including volatile global interest rates and performance of debt and equity markets, international oil prices, rising energy and commodity prices, global conflicts, inflation and the ongoing impacts of the novel coronavirus ("**COVID-19**") pandemic. Certain of these factors are set out below (see also "*Risk Factors Relating to the UAE and the Middle East*"). A worsening of current financial market conditions could lead to further decreases in investor and consumer confidence, increased market volatility and greater economic disruption

and, as a result, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects irrespective of steps currently taken to adequately control these risks.

Volatility in the global economic environment may adversely impact the Group's business, results of operations, financial condition and prospects

As at the date of this Base Prospectus, global debt and equity markets have again been adversely impacted by the ongoing volatility in the macro-economic climate. In particular, in February 2022, an armed conflict ignited between Russia and Ukraine which is currently ongoing. The conflict is resulting in tragic loss of life, a flux of refugees to neighbouring countries, as well as causing significant damage to Ukraine's physical infrastructure. The United States, the United Kingdom, the European Union, Japan, Canada and other countries have implemented extensive and unprecedented sanctions (including SWIFT cut-off) against certain Russian entities, persons and sectors, including Russian financial, oil and defence companies as a result of the conflict. In addition, certain NATO countries have banned the import of Russian oil and transactions with the Central Bank of Russia, with more predicted to follow suit in respect of Russian gas. As a result of the Russia-Ukraine conflict, the economic sanctions imposed on Russia and any retaliatory measures that Russia could adopt in response to the sanctions, energy and commodity prices – including wheat and other grains – have surged, adding to the inflationary pressures experienced globally due to supply chain disruptions caused by the COVID 19 pandemic, and there will likely be significant disruptions to regional economies and global financial markets. While not directly impacting the UAE's territory, the dispute could negatively affect the Group's corporate and individual customers. This, in turn, may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

Movements in global interest rates have also continued to be unpredictable. In response to the impact of the COVID-19 virus on their domestic economies, various governments around the world announced fiscal stimulus packages (see further "*The UAE Banking and Financial Services System – Recent Trends in Banking – COVID 19*") and numerous central banks cut interest rates. For instance, on 3 March 2020 the Central Bank of the UAE (the "**UAE Central Bank**") announced that it would cut the interest rate on certificates of deposit in line with the U.S. dollar rates and on 16 March 2020, the UAE Central Bank further cut the interest rate applicable to one-week certificates of deposit by 75 basis points from 1.00 per cent. to 0.25 per cent. and reduced rates applicable to the interim margin lending facility and the collateralised murabaha facility by 50 basis points to 50 basis points above the repurchase rate for UAE Central Bank certificates of deposit. On 5 July 2020, the UAE Central Bank introduced the overnight deposit facility to enable conventional banks operating in the UAE to deposit their surplus liquidity at the UAE Central Bank on an overnight basis.

The general stance of the UAE Central Bank's monetary policy is signalled through the interest rate of the overnight deposit facility, which is the main policy rate of the UAE Central Bank (the "**UAE Base Rate**"). The UAE Central Bank expects that overnight money market rates should hover around the UAE Base Rate under normal market conditions. The UAE Base Rate is anchored to the U.S. Federal Reserve's interest on excess reserves (source: The UAE Central Bank). Reversing its course, the U.S. Federal Reserve raised U.S. overnight interest rates in March, May, June, September, November and December 2022. In turn, the UAE Central Bank increased the UAE Base Rate in March, May, June, September, November and December 2022. As of 15 December 2022, the UAE Base Rate was 4.4 per cent. Separately, the UAE Central Bank, on 21 September 2022 and again on 2 November, announced a decision to maintain the interest rate applicable to borrowing short-term liquidity from the UAE Central Bank through all standing credit facilities at 50 basis points above the UAE Base Rate.

Further announcements from central banks across the world could be forthcoming and it is unclear what impact these measures will ultimately have on their respective economies. Accordingly, aggressive or unexpected monetary policy tightening by the U.S. Federal Reserve could shock the markets, adversely affecting asset prices and ultimately economic growth. These volatile market conditions have impacted investment markets both globally and in the UAE and have resulted in reduced liquidity, widening of credit spreads and lack of price transparency in credit and capital markets.

The Group's business, results of operations, financial condition and prospects may be materially adversely affected by changes in the macro-economic environment following the COVID-19 pandemic

In 2020 and 2021, the macroeconomic environment (both globally and within the UAE) continued to be affected by disruptions caused by the COVID-19 pandemic. On 11 March 2020, the World Health Organization officially declared COVID-19 a global pandemic. The resulting restrictions on travel and

public transport, requirements for people to remain at home and practise social distancing, and prolonged closures of workplaces severely disrupted the global economy and impacted a number of industries such as the tourism and hospitality sectors (including in the UAE). The UAE took a number of temporary precautionary and preventative measures to contain the outbreak. Many of these measures were subsequently removed; however, the continued impact of the COVID-19 pandemic, including the impact of new variants of COVID-19, on the Group and the global economy is dependent on future developments, which are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and further actions taken by governmental authorities and other third parties in response to such pandemic. Any of these factors could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Oil price volatility and future currency de-pegging could adversely impact the Group's net profit margins and financing costs

Dubai enjoys a relatively diverse economy, with the three largest contributors to Dubai's GDP at constant prices being "Wholesale and retail trade; repair of motor vehicles and motorcycles", "Transportation and storage" and "Financial and insurance activities" (comprising 24.1 per cent., 11.7 per cent. and 10.7 per cent., respectively, of Dubai's GDP at constant prices in the first nine months of 2022 (source: Gross Domestic Product at Constant Prices First Nine Month, Dubai Statistics Centre)). However, any significant reduction in international oil prices may have a negative impact on regional spending and liquidity and, consequently, is likely to affect Dubai's economy indirectly through its impact on the trade, construction, real estate, tourism and banking sectors in particular, given the openness of the economy which has no capital or exchange controls.

For instance, in early March 2020, the Organization of the Petroleum Exporting Countries ("**OPEC**") officials proposed a plan to the members of OPEC and certain other non-OPEC member major non-OPEC oil exporting countries ("**OPEC+**"), including Russia, to cut global production by 1.5 per cent. No agreement was reached, ending a three-year partnership between OPEC and OPEC+. This also resulted in OPEC+ failing to extend the agreement of cutting 2.1 million barrels per day that was set to expire at the end of March 2020. As such, in March 2020, the Kingdom of Saudi Arabia ("**KSA**") announced that it would raise oil output and discount its oil in April 2020. In early April 2020, OPEC+ announced that it had reached an agreement to cut production by 9.7 million barrels a day; however, this action failed to sufficiently support the oil market with prices falling in the days following that announcement. This agreement was extended until July 2020, beyond which a gradual easing of the cuts was scheduled. As a result of the above factors and the COVID-19 pandemic weakening the demand for oil, the OPEC Reference Basket price fell significantly. Furthermore, certain oil prices turned negative during April 2020 (with the West Texas Intermediate benchmark falling as low as minus U.S.\$37.63 a barrel), as weakened demand, including as a result of the COVID-19 pandemic, led to buyers being paid to take oil due to storage capacity concerns. The OPEC Reference Basket price continued to fluctuate in an upward trend throughout 2020 and 2021, reaching U.S.\$85.24 per barrel as at 1 January 2022. However, rising tensions between Russia and NATO in connection with Ukraine in the beginning of 2022 culminating in the Russia-Ukraine conflict that erupted in February 2022 (and the sanctions imposed on Russian companies and institutions in the energy and banking industry, coupled with the ban on import of Russian oil and gas by some NATO and European countries) and which is still ongoing, caused oil prices to surge above U.S.\$100.00 for the first time since 2013 to U.S.\$110.97 per barrel as at 1 May 2022. Oil prices subsequently fell to approximately U.S.\$80 per barrel and OPEC+ decided on 5 October 2022 to cut production by 2 million barrels per day from November 2022, equivalent to 2 per cent. of global supply. As at 1 February 2023, the monthly average OPEC Reference Basket price was U.S.\$82.82 per barrel. Oil price volatility, particularly when coupled with rising inflation (as discussed further below), may have a negative impact on the Group's corporate and individual customers. This, in turn, may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

In the UAE, the volatile oil price environment referred to above has stimulated a federal government-led policy of rationalisation of fiscal spending, which, in turn, has led to an ongoing transformation within the UAE economy. The UAE Federal Government has scaled back capital transfers to government-related entities, reduced government investment, raised electricity and water tariffs and removed fuel subsidies. Further, with effect from 1 January 2018, the federal government introduced a value-added tax ("**VAT**") regime in the UAE at a rate of 5 per cent. In addition, on 31 January 2022, the UAE Ministry of Finance announced the introduction of a corporate income tax, which will come into effect on 1 June 2023. See "*Risk Factors Relating to the UAE and the Middle East – Tax changes in the UAE may have an adverse effect on the Group*" below for further information.

These significant fiscal reforms have become an integral part of a broader UAE Federal Government strategy aimed at reducing fiscal expenditure generally and fiscal dependency on hydrocarbon-related revenues. This ongoing transformative process in the domestic economy may have a material adverse effect on the Group's financing portfolio and its credit risk profile generally.

Further, and in response to the ongoing economic volatility, certain regional oil producing countries that have traditionally "pegged" their domestic currencies to the U.S. dollar have faced pressure to remove these foreign exchange "pegs". During 2015, each of Kazakhstan and Azerbaijan chose to unwind the U.S. dollar peg of their domestic currencies. While the likelihood of the GCC states pursuing a similar course of action is unclear, the UAE Central Bank has, as recently as January 2018, reiterated its intention to retain the UAE dirham peg against the U.S. dollar, and there remains a risk that any such future de-pegging by the GCC states (in the event that the current challenging market conditions or the volatility in global crude oil prices seen since mid-2014 persist for a prolonged period) would pose a systemic risk to the regional banking systems by virtue of the inevitable devaluation of any such de-pegged currency against the U.S. dollar and the impact this would have on the open cross-currency positions held by regional banks, including the Group (which maintains its financial statements and reports its results in UAE dirham). Further, any de-pegging could adversely impact the Group's net profit margins and financing costs.

Furthermore, many of the world's economies are experiencing elevated inflation, which is expected to remain as such for longer than previously forecast. For 2023, inflation is projected by the International Monetary Fund at 4.6 per cent. in advanced economies and 8.1 per cent. in emerging market and developing economies. However, as with the growth outlook, considerable uncertainty surrounds these inflation projections. Various factors have contributed to shaping inflation outlook, including the Russia-Ukraine conflict, which caused increases to energy prices (as discussed above) and food prices (due to disruptions in the supply of commodities such as wheat, corn and fertilisers). In addition, while demand grew rapidly in 2021 and 2022, various bottlenecks held back supply, including outbreak-induced factory closures, restrictions at ports, congested shipping lanes, container shortfalls and worker shortages because of quarantines. Although supply bottlenecks are generally anticipated to ease as production responds to higher prices, China's recovery and response to the COVID-19 pandemic, the Russia-Ukraine conflict and widespread sanctions on Russian persons, entities and institutions are likely to prolong disruptions in some sectors into 2023. Prolonged inflation could affect the wider global economy (by, for example, causing prompt broad-based selling in long-duration, fixed-rate instruments, which could have negative implications for equity and real estate markets) and the Group's customers and counterparties (leading to lower recoverability), which, in turn, could have a materially adverse effect on the Group.

The Group is exposed to liquidity risks due to its operations in the global financial markets

Liquidity risk refers to the inability of the Group to fund an increase in assets and meet obligations as they become due (structural funding risk) or the inability to convert assets into cash at reasonable prices (market liquidity risk). The risk arises from mismatches in the amount and timings of cash flows. Liquidity risk can be caused by market disruptions or credit downgrades which may impose constraints on certain sources of funding.

Liquidity is essential to the performance of the banking sector and the business of the Group. In response to previous liquidity crises, including the global financial crisis in 2008 and the decrease in government deposits in the UAE in 2015 and 2016, a number of measures were taken in an attempt to improve the liquidity levels in the UAE by the UAE Ministry of Finance and the UAE Central Bank, including, but not limited to, regular contact and intervention with respect to UAE banks to provide liquidity to the market (UAE Ministry of Finance deposits and UAE Central Bank funding support). Further, in response to the COVID-19 pandemic, the UAE Central Bank implemented the Targeted Economic Support Scheme (the "TESS"), which, amongst other things, provided UAE banks with access to zero cost funding with a view to improving market liquidity (see further "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – TESS*"). The TESS measures expired on 30 June 2022. Although the UAE Ministry of Finance and the UAE Central Bank have supported the domestic banking industry in the past, there can be no assurance that either the UAE Ministry of Finance or the UAE Central Bank will provide any additional support to the Group and the domestic banking industry or initiate support if another major economic disruption were to occur in the future.

Any future constraints on liquidity could result in less favourable credit ratings, higher funding costs and less accessible funds for the Group and could therefore have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Credit rating downgrades may adversely affect the Group's ability to raise capital and the market value of Certificates

As at the date of this Base Prospectus, Emirates Islamic has been assigned a long-term foreign currency issuer default rating of 'A+' with a Stable Outlook, Short-Term IDR (ST IDR) of 'F1', with a Viability Rating of 'bb' by Fitch. This long-term foreign currency issuer default rating is intended to measure Emirates Islamic's ability to meet its debt obligations as they mature and is an important factor in determining Emirates Islamic's (and the Group's) cost of financing. Emirates Islamic's ratings are in line with Emirates NBD's credit ratings since Fitch considers Emirates Islamic an integral subsidiary of Emirates NBD or of the UAE. The UAE has been assigned a long-term credit rating of Aa2 by Moody's Investors Service Singapore Pte. Ltd principally on the basis of the assumption that the obligations of the UAE Federal Government will be unconditionally supported by Abu Dhabi. Any actual or anticipated changes in Emirates Islamic's credit ratings (including due to any actual or anticipated changes in the credit ratings of Emirates NBD or the UAE) could constrain Emirates Islamic's (and the Group's) ability to raise capital and may affect the market value of any Certificates issued under the Programme.

The Group is exposed to credit risks due to its financing and investment activities

Credit risk is the risk that any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group resulting in a financial loss to the Group. For the Group, credit risk arises mainly from interbank, corporate, commercial and consumer financing receivables, and financing commitments arising from such financing activities, but can also arise from credit enhancement provided, such as Shariah-compliant hedging instruments (Shariah-compliant credit default swaps), financial guarantees, letters of credit, endorsements and acceptances. The Group is also exposed to credit risks arising from investments in financing securities and Shariah-compliant hedging instruments as well as settlement balances with market counterparties and reverse repurchase agreements.

Credit risks could arise from a deterioration in the credit quality of specific counterparties of the Group, from a general deterioration in local or global economic conditions or from systemic risks within the financial systems, all of which could affect the recoverability and value of the assets of the Group and therefore subject the Group to an increase in the provisions for the impairment of its assets and other credit exposures. For instance, small and medium-sized enterprises ("SMEs") in the UAE experienced a severe economic downturn in 2016. As a result, creditors to such SMEs (such as the Group) were subject to an increased risk of default. As a remedial measure, the UAE introduced new bankruptcy laws in order to minimise "skip" risk, particularly for SME businesses run by non-UAE nationals. More recently, the COVID-19 pandemic resulted in a number of measures being implemented by the UAE Central Bank, which may impact the Group (see "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – COVID-19*" and "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – TESS*"). The volatility in the macro-economic climate has prompted reduced fiscal budgets and public spending plans in the UAE and across the GCC economies and customers and counterparties may again face similar challenges (see further "*Risk Factors Relating to the Group's Business Activities – The Group is exposed to market risks due to its operations as a financial institution*"). The Group may therefore experience a higher level of credit defaults (including non-performing financings and consequential increases in impairment allowances for doubtful financings and advances) by the Group's customers and counterparties which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In 2022 the Group experienced improvement in credit quality ratios due to the improvement in overall portfolio quality. The conservative provisioning approach of the Group during and post COVID-19 pandemic together with overall improvement in the economy, high oil prices, increase in tourist traffic were key drivers of the improvement in asset quality during post COVID-19 pandemic recovery. Although the Group increased its Expected Credit Loss ("ECL") coverage during 2022, this increase is due to the Group's early recognition of a potential recession owing to rapid increase in interest rates during 2022.

Concentrations in financing activity, industry sectors and geographical locations could adversely affect the Group's business, results of operations, financial condition and prospects

Concentration risk is the risk that accrues on the Group as a result of lack of diversification in its portfolio. This risk arises when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet

contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations in the Group's financing receivable and deposit portfolio subject it to risks from default by its larger obligors, from exposure to particular sectors of the UAE economy and from withdrawal of large deposits. The Group's financing receivables portfolio shows geographic, industry and obligor concentration:

- the Group's financing receivable and deposit portfolio is concentrated, geographically, in the UAE. As at 31 December 2022, 95 per cent. of the Group's net financing receivables and 98 per cent. of the Group's total deposits (comprising due to banks and customer deposits) were attributable to the UAE;
- 64 per cent. of the Group's net financing receivables as at 31 December 2022 were attributable to its consumer banking customers;
- the Group's ten largest private sector obligors (which excludes those obligors which are either wholly or majority owned by the Government or by H.H. Sheikh Mohammed bin Rashid Al Maktoum, the Ruler of Dubai) represented 12 per cent. of the Group's total gross financing receivables as at 31 December 2022. As at 31 December 2022, the Group's largest funded exposure to a private sector obligor was AED 792 million, which constituted 1.5 per cent. of its total gross financing receivables as at that date and 7.9 per cent. of its total regulatory capital as at that date (total regulatory capital being AED 10 billion as at 31 December 2022); and
- in terms of industry concentration of the Group's total financing receivables, as at 31 December 2022, personal finance accounted for 61 per cent., manufacturing and trade together accounted for 15 per cent., construction and real estate together accounted for 9 per cent. and financial institutions and investment companies accounted for 3 per cent.

The Group is therefore exposed to risks arising from a downturn in the fortunes of any of the Group's obligors or in the regions or sectors in which they operate. For instance, a downturn in the UAE economy could have a material adverse effect on the Group's business, results of operations, financial condition and prospects (see also "*Risk Factors Relating to the UAE and the Middle East*"). Further, although Emirates Islamic considers that the Group has adequate access to sources of funding, the withdrawal of a significant portion of any large deposits could have a material adverse effect on the Group's business, results of operations, financial condition and prospects (including its ability to meet the UAE Central Bank target stable resources ratio or eligible liquid asset ratio (see further "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – Liquidity*").

Similarly, any unfavourable developments in any of the industry sectors to which the Group has significant exposure could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. As an example, as at 31 December 2022, construction and real estate accounted for 2 per cent. and 7 per cent., respectively, of the Group's total financing receivables. The Group's total funded construction and real estate exposure was AED 4,601 million as at 31 December 2022. The real estate sector in Dubai has steadily declined since 2015 as a result changes in interest rates, consumer spending, inflation rates, real estate taxes and the availability and cost of financing. This decline was further exacerbated by the COVID-19 pandemic in 2020 with apartment and villa/townhouse prices in Dubai registering a 12-month average decline of 4.4 per cent. from December 2019 to December 2020 (source: Cavendish Maxwell's property monitor report 2020). Although Dubai real estate prices began to rise in 2021 and 2022, they remain below the 2014 peak. A continued decline in the Dubai real estate market in the future could have a material adverse impact on the Group's main real estate-related clients, which could in turn have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's risk management policies and internal controls may not be effective in all circumstances and may leave the Group exposed to operational risks, which could result in material losses

Operational risk is the risk of losses resulting from inadequate or failed internal processes and systems, human error or external events. It thus excludes strategic and reputation risks but includes legal and regulatory risks. Operational risks and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, lapses in any operational controls, any failure of internal systems or equipment, any failure of external systems (e.g., those of the Group's

counterparties or vendors) or occurrence of natural disasters. The Group may also face legal risks from private actions brought against it.

Operational risks and losses could also arise from the Group's failure to comply with applicable conduct of business rules (including financial crime risk, i.e., know your customer ("KYC"), anti-money laundering ("AML"), counter-terrorism financing ("CTF") laws and sanctions policies) and/or regulatory requirements.

Although the Group has implemented risk controls and loss mitigation strategies and substantial resources are devoted to developing efficient policies and procedures in order to minimise losses and ensure compliance with Basel III requirements, it is not possible to eliminate any of the operational risks entirely. Should any of the foregoing risks materialise, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

This risk factor should not be taken as implying that the Trustee or Emirates Islamic will be unable to comply with their obligations as a company with securities: (i) admitted to the Official List; and/or (ii) admitted to the DFSA Official List.

Changes in laws, regulations and their interpretation and enforcement may limit the Group's ability to invest or raise capital

The Group is subject to a number of prudential and regulatory controls designed to maintain the safety and soundness of banks, ensure its compliance with economic, social and other objectives and limit its exposure to risk. These regulations include UAE federal laws and regulations (particularly those of the UAE Federal Government and the UAE Central Bank (see further "The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking")). Such regulations may, amongst other things, limit the Group's ability to increase its financing receivable portfolios or raise capital or may increase its cost of doing business.

Any changes in the laws and regulations and/or the manner in which they are interpreted or enforced could also have a material adverse effect on the Group's business, results of operations, financial condition and prospects. For instance, Article 116 of Federal Law No. 14 of 2018 regarding the UAE Central Bank & Organization of Financial Institutions and Activities, as amended by Federal Decree Law No. 25 of 2020 (the "**2018 Federal Law**") indicates that the UAE Central Bank shall establish a resolution framework for financial institutions, pursuant to which, in the case of a deficiency in an institution's financial position, the UAE Central Bank may take certain actions for the protection of the concerned institution and its depositors. These may include (without limitation) requesting a court to liquidate or declare bankrupt such institution, or prepare a plan for transfer of its assets and liabilities, in accordance with established laws. The timing and content for any such framework are uncertain. The exercise (or perceived likelihood of exercise) of any such action by the UAE Central Bank or any suggestion of such exercise could materially adversely affect the value of any Certificates issued under the Programme and could lead to holders losing some or all of their investment in the Certificates. Similarly, any failure by Emirates Islamic to comply with the relevant qualitative and quantitative liquidity requirements or maintain required regulatory capital ratios could result in administrative actions, sanctions or fines against Emirates Islamic (see further "The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking"). Although Emirates Islamic works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies cannot be predicted and are beyond its control.

The Group may be subject to cyber-security attacks

In common with other financial institutions based in the GCC and elsewhere in the world, the threat to the security of the Group's information and customer data from cyber-attacks continues to grow at pace. Activists, rogue states and cyber criminals are amongst those targeting computer systems around the world. Risks to technology and cyber-security change rapidly and require continued focus and investment. Given the increasing sophistication and scope of potential cyber-attack, it is possible that future attacks may lead to significant breaches of security. Failure to adequately manage cyber-security risk and continually review and update current processes in response to new threats could disrupt the Group's business, result in the disclosure of confidential information, create significant financial and/or legal exposure and damage the Group's reputation and/or brands, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is reliant on key personnel

The Group's ability to maintain and grow its business will depend, in part, on its ability to continue to recruit and retain qualified and experienced banking and management personnel. The Group may face challenges in recruiting and retaining qualified personnel to manage its respective business from time to time and, if it is to continue to grow, will need to continue to increase its employee numbers.

Additionally, in 2017, the UAE Central Bank introduced a point based system which encourages the development and deployment of UAE nationals in critical roles at a variety of levels (see further "*The United Arab Emirates Banking Sector and Regulations – Characteristics of the Banking System – Expatriate workforce*"). In common with other banks in the UAE, Emirates Islamic experiences a shortage of, and competition to recruit and retain, qualified UAE national employees. If Emirates Islamic is unable to meet or exceed the UAE Federal Government's recommended policy for recruiting UAE nationals, it may be subject to legal penalties including with respect to its current licences, and may be prevented from obtaining additional licences necessary in order to allow it to expand its business. While Emirates Islamic currently meets (and exceeds) the UAE Federal Government's "Emiratisation" requirements (see further "*Management and Employees – Employees – Emiratisation*") and believes that it has effective staff recruitment, training and incentive programmes in place, if it was unable to retain key members of its senior management and/or remove under-performing staff and/or hire new qualified personnel in a timely manner, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The increasingly competitive environment in the UAE banking industry may adversely affect the Group's business, results of operations, financial condition and prospects

Emirates Islamic faces competition in all of its business areas from domestic and foreign banks operating in the UAE. Moreover, there are an increasing number of Islamic banks and other institutions offering Shariah-compliant products and services within the UAE. Other financial institutions may also consider offering Shariah-compliant products and services. To the extent Shariah compliance is not a key concern for customers, Emirates Islamic would also face competition from conventional banks. Emirates Islamic's main competitors in terms of product offering and customer segments are Abu Dhabi Islamic Bank PJSC, Dubai Islamic Bank PJSC and Sharjah Islamic Bank PJSC in the Islamic banking sector as well as from conventional banks such as Commercial Bank of Dubai PJSC, Mashreqbank psc and National Bank of Ras Al Khaimah PJSC (RAKBank) (see further "*Description of the Group – Competition*").

The UAE could be viewed as an over-banked market, even by regional standards. As at 30 September 2022, 60 banks (comprising 23 national banks and 37 foreign banks) operated in the UAE (*source: the UAE Central Bank, Banking Indicators October 2022, published 11 January 2023*), serving a population estimated by the World Bank to be 9.3 million in 2021. Of those 60 banks, 51 are conventional banks and nine are Islamic banks. Although historically there has been little impetus for consolidation, there have been some significant mergers in recent years in the UAE banking sector (see further "*The United Arab Emirates Banking Sector and Regulations – Characteristics of the Banking System – Historic lack of consolidation*"). Should such consolidation continue, it could lead to a significant alteration of the competitive environment with fewer, larger locally incorporated banks competing for the larger financing transactions in the region with the foreign banks (which have tended to have comparatively larger franchises) and enabling such local banks to have access to greater infrastructure and resources to absorb capital costs, such as information technology ("IT") system development. Moreover, the banking market in the UAE has generally been a relatively protected market with high regulatory and other barriers to entry for foreign financial institutions. However, should some of these barriers be removed or eased in the future, either voluntarily or as a result of the UAE's membership of the World Trade Organisation, the GCC or any other similar entities which require greater economic liberalisation, it is likely to lead to a more competitive environment for the Group and other domestic financial institutions.

Any such increase in competition or significant alteration of the competitive environment could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The interests of the Group's controlling shareholder, and its ability to control actions of the Group, may conflict with the commercial interests of the Group, which may also conflict with the interests of the Certificateholders

As at the date of this Base Prospectus, Emirates NBD holds a 99.9 per cent. stake in Emirates Islamic. In

turn, as at the date of this Base Prospectus, the Investment Corporation of Dubai ("ICD") holds a 55.75 per cent. stake in Emirates NBD. The ICD is wholly-owned by the Government. By virtue of its indirect shareholding in Emirates Islamic, the Government has the ability to influence Emirates Islamic's business through its ability to control actions that require shareholder approval. If circumstances were to arise where the interests of the Government conflict with the interests of the Certificateholders, Certificateholders could be disadvantaged by any such conflict.

Neither the Government nor the UAE Federal Government are under any obligation to invest in, make deposits with, do business with or otherwise support Emirates Islamic. The Government and the UAE Federal Government may, whether directly or through government-owned entities, at any time and for any reason, dispose of its investments in, withdraw its deposits from, cease to do business with or otherwise cease to support Emirates Islamic. The reduction or elimination of governmental support could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Government does not explicitly or implicitly guarantee the financial obligations of Emirates Islamic (including in respect of Emirates Islamic's obligations under the Transaction Documents to which it is a party) nor does it, like any other shareholder (acting through the ICD), have any legal obligation to provide any support or additional funding for any of Emirates Islamic's future operations.

Non-compliance with resolutions of the HSA and/or the Emirates Islamic Internal Shariah Supervision Committee may result in financial loss or reputational damage for Emirates Islamic

Emirates Islamic is required to adhere to: (i) Regulations, Resolutions, Standards, Notices, Fatwas and Guidelines issued by The Higher Shariah Authority at the UAE Central Bank (the "HSA") in relation to licenced activities and businesses of Islamic Financial Institutions ("HSA's Resolutions"); and (ii) resolutions and fatwas issued by the Emirates Islamic Internal Shariah Supervision Committee in relation to licenced activities and businesses of Emirates Islamic (the "Committee's Resolutions"), provided they do not contradict with HSA's Resolutions. To the extent that any of the banking activities of Emirates Islamic are, or are perceived to be, non-compliant with Islamic Shariah in accordance with the HSA's Resolutions and/or the Committee's Resolutions, there is a risk that Emirates Islamic could incur financial loss and/or suffer reputational damage.

Risk Factors Relating to the UAE and the Middle East

The majority of the Group's operations and assets are in the UAE and, accordingly, its business may be affected by the financial, political and general economic conditions prevailing from time to time in the UAE and/or the Middle East generally and thereby affect Emirates Islamic's ability to perform its obligations under the Transaction Documents to which it is a party (see also "*Risk Factors Relating to the Group's Business Activities – The Group is exposed to market risks due to its operations as a financial institution*").

These markets are subject to greater risks than more developed markets, including in some cases significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate.

Political instability and economic volatility may adversely affect the Group's business

While the UAE has historically enjoyed significant economic growth and relative political stability, there can be no assurance that such growth or stability will continue. Investors should note that the Group's business and financial performance may be affected by the financial, political and general economic conditions prevailing from time to time in the UAE and the Middle East. This is particularly so in light of significant adverse financial and economic conditions experienced worldwide in light of the COVID-19 pandemic, the Russia-Ukraine conflict, and various correlated macro-economic conditions. Since that time, there has been a slowdown or reversal of the high rates of growth experienced by various GCC countries, including the UAE (particularly Dubai). While UAE institutions have taken steps to manage the adverse impact, the UAE's economic trajectory over the medium term may be adversely impacted by regional and global economic impacts of COVID-19 and the Russia-Ukraine conflict (and the related sanctions). Consequently, certain sectors of the GCC economy such as financial institutions that had benefitted from such high growth rates could be further affected by any further future slowdown.

No assurance can be given that the UAE Federal Government will not implement regulations or fiscal or

monetary policies, including policies, regulations, or new legal interpretations of existing regulations, relating to or affecting taxation, interest rates or exchange controls, or otherwise take actions which could have an adverse effect on the Group's business, results of operations, financial condition and prospects or its ability to perform its obligations under the Transaction Documents to which it is a party or which could adversely affect the market price and liquidity of the Certificates.

While the UAE is seen as a relatively stable political environment, certain other jurisdictions in the MENA region are not and there is a risk that regional geopolitical instability could impact the UAE. Instability in the MENA region may result from a number of factors, including government or military regime change, civil unrest or terrorism. In particular, in 2015, the KSA commenced a military intervention in the Republic of Yemen in response to requests for assistance from the Yemeni government against the Al Houthi militia. The UAE was a member of this intervention before withdrawing its military in 2020. In March 2021, the KSA proposed a ceasefire in Yemen which the Al Houthi militia rejected. As such, the conflict remains ongoing with the Al Houthi militia claiming responsibility for drone and missile attacks on the KSA in April 2021 and drone attacks on the KSA's Abha International Airport in September 2021.

The UAE is a member of another KSA-led military coalition formed in December 2015 to combat Islamic extremism and, in particular, the Islamic State. Additionally, in June 2017 a number of MENA countries including the UAE, the KSA, the Kingdom of Bahrain and Egypt severed diplomatic relations with the State of Qatar, citing the State of Qatar's alleged support for terrorism and accusing the State of Qatar of creating instability in the region. The termination of diplomatic relations included the withdrawal of ambassadors and imposing trade and travel bans. The three year embargo came to an end in January 2021 with diplomatic relations with the State of Qatar being reinstated following the signing of the Al-Ula Agreement by the UAE, the KSA, the State of Qatar, the Kingdom of Bahrain, Kuwait, Oman and Egypt.

In addition, there are ongoing tensions between the United States and Iran, which were heightened in January 2020 following the killing of Iranian General Qasem Soleimani by a United States drone strike and retaliatory attacks by Iran on United States military bases in the Republic of Iraq. Furthermore, in August 2021 instability increased across Afghanistan following the withdrawal of U.S. troops from Afghanistan in July 2021 and the increased presence of the Taliban across the country. In August 2021, the UAE Ministry of Foreign Affairs and International Cooperation confirmed that the UAE had welcomed President Ashraf Ghani and his family into the country on humanitarian grounds, and in September 2021, also confirmed that the UAE had pledged AED184 million in humanitarian support to Afghanistan.

These situations have caused significant disruption to the economies of affected countries and may have had a destabilising effect on international oil and gas prices (see further "*Risk Factors Relating to the Group's Business Activities – The Group is exposed to market risks due to its operations as a financial institution – Oil price volatility and future currency de-pegging could adversely impact the Group's net profit margins and financing costs*"). In 2020, 2021 and 2022, the macro-economic environment (both globally and within the UAE) was also been affected by the COVID-19 pandemic (see further "*Risk Factors Relating to the Group's Business Activities – The Group's business, results of operations, financial condition and prospects may be materially adversely affected by changes in the macro-economic environment following the COVID-19 pandemic*" and "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – COVID-19*").

Though the effects of such politico-economic uncertainty have been varied, it is not possible to predict the occurrence of events or circumstances such as war, hostilities or pandemics, or the impact of such occurrences, and no assurance can be given that the UAE would be able to sustain its current economic growth levels if adverse political, economic or related events or circumstances were to occur. Continued instability affecting the countries in the MENA region could adversely impact the UAE, although, to-date, there has been no significant impact on Dubai or the UAE.

Dubai is also dependent on expatriate labour and has made significant efforts in recent years to attract high volumes of foreign businesses and tourists to the Emirate (see further "*The United Arab Emirates Banking Sector and Regulations – Characteristics of the Banking System – Expatriate workforce*"). These steps make it potentially more vulnerable should regional instability increase. In addition, the continued instability affecting countries in the MENA region could negatively impact the number of foreign businesses seeking to invest in the UAE, whilst also affecting the number of tourists visiting the UAE.

A general downturn, political instability or volatility in certain sectors of the UAE or the regional economy could have a material adverse effect on the Group's business, results of operations, financial condition and

prospects (including any trickle-down effect due to the resultant instability or slowdown resulting in a downturn in the fortunes of any of the Group's depositors and customers).

Changes in currency policy and procedure and de-pegging may affect Emirates Islamic's ability to perform its obligations under the Transaction Documents

There is a possibility that some countries in the GCC may abandon their respective national currencies in favour of a single GCC currency. If a single GCC currency is adopted, the necessary convergence of laws, policies and procedure will bring significant changes to the economic and political infrastructure in each of the GCC states. As yet there has been no announcement of any monetary union and there are currently no details of new legislation or policies. It is also possible that some countries in the GCC could remove or devalue their currency peg to the U.S. dollar (see further "*Risk Factors Relating to the Group's Business Activities – The Group is exposed to market risks due to its operations as a financial institution – Oil price volatility and future currency de-pegging could adversely impact the Group's net profit margins and financing costs*"). Investors should, however, be aware that new legislation and any resulting shift in policy and procedure in the UAE, including currency de-pegging or devaluation, could affect the ability of Emirates Islamic to perform its obligations in respect of the Transaction Documents to which it is a party.

Tax changes in the UAE may have an adverse effect on the Group

As at the date of this Base Prospectus, Emirates Islamic is not currently subject to corporation tax (or any other analogous tax) on its earnings within the UAE. However, on 31 January 2022, the UAE Ministry of Finance announced the introduction of a corporate income tax (the "CIT") on business profits, which will come into effect on 1 June 2023 and may impact Emirates Islamic's future tax charge. The CIT will apply on the adjusted accounting net profits of a business. It will not apply to taxable profits up to AED 375,000 and will apply at a standard statutory tax rate of 9 per cent. to taxable profits in excess thereof. Further details regarding the CIT are expected to be published by the UAE Ministry of Finance in due course.

In addition, with effect from 1 January 2018, certain of the GCC states (including the UAE) have implemented a VAT regime at a rate of 5 per cent., with the remaining GCC states expected to implement VAT in the near future.

On 11 May 2020, the government of the KSA announced that the VAT rate in the KSA would increase from 5 per cent. to 15 per cent. as of 1 July 2020. Also, on 11 May 2020, the UAE Ministry of Finance stated that there were no immediate plans to increase the rate of VAT in the UAE.

The UAE national legislation implementing this framework agreement was published on 23 August 2017 (UAE Federal Decree Law No. 8 of 2017) and, on 28 November 2017, the UAE Ministry of Finance published accompanying VAT implementing regulations.

The implementation of changes to corporation tax (or any other analogous tax regime) may have a material adverse effect on Emirates Islamic's business, financial condition, results of operations and prospects, which in turn could affect the Emirates Islamic's ability to perform its obligations in respect of any Certificates issued under the Programme. With respect to the introduction of VAT in the UAE, the Group's costs have increased and its future profitability could be negatively affected, in comparison to the previous tax-free environment.

Risk Factors relating to Enforcement

Investors may experience difficulties in enforcing foreign arbitration awards and foreign judgments in Dubai

The payments under the Certificates are dependent upon the Obligor making payments to investors 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 which could be both time consuming and costly.

Furthermore, to the extent that the enforcement of remedies must be pursued in the UAE, it should be borne in mind that there is limited scope for self-help remedies under UAE law and that generally enforcement of remedies in the UAE must be pursued through the courts.

The Obligor has irrevocably agreed to the Certificates and certain Transaction Documents being governed by English law. Unresolved disputes in relation to the Certificates and such Transaction Documents governed by English law will, unless the option to litigate set out therein is exercised, be referred to arbitration under the LCIA Arbitration Rules with the seat of arbitration in London. In the event that such option to litigate set out therein is exercised, any dispute may also be referred to the courts of England or the courts of the DIFC (the "**DIFC Courts**") (or another court of competent jurisdiction as the relevant party may elect). Notwithstanding that an arbitral award may be obtained from an arbitral tribunal in London or 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 UK against which such an arbitral award or judgment could be enforced. The Obligor is a UAE company and is incorporated in and has its operations and the majority of its assets located in the UAE. To the extent that the enforcement of remedies must be pursued in the UAE, it should be borne in mind that there is limited scope for self-help remedies under UAE law and that generally enforcement of remedies in the UAE must be pursued through the courts.

Under current Dubai law, the Dubai courts are unlikely to enforce an English court judgment without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the relevant Transaction Documents or the Certificates. In the UAE, foreign law is required to be established as a question of fact, and the interpretation of English law, by a court in the UAE, may not accord with the perception of an English court. In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or to any mandatory law of, or applicable in, the UAE.

The UAE is a civil law jurisdiction and judicial precedents in Dubai have no binding effect on subsequent decisions. In addition, court decisions in Dubai are generally not recorded. These factors create greater judicial uncertainty.

As described above, the Obligor has agreed under the terms of certain of the Transaction Documents (including the Purchase Undertaking and the Master Trust Deed) to submit to the non-exclusive jurisdiction of the DIFC Courts in respect of any dispute, claim, difference or controversy arising out of or in connection with such Transaction Documents, subject to the right of the Trustee, the Obligor (in respect of the Trustee's Sale and Purchase Undertaking only), the Delegate, or the Agents, as the case may be, to elect to bring proceedings in any other court or courts of competent jurisdiction. Dubai Law No. 16 of 2011 on Amending Certain Provisions of Law No. 12 of 2004 Concerning the Dubai International Financial Centre Courts ("**Law No. 16 of 2011**") was issued, and came into force in Dubai, on 31 October 2011 and extended the jurisdiction of the DIFC Courts to include all civil and commercial disputes where the parties to the relevant dispute have expressly agreed to submit to the jurisdiction of the DIFC Courts, even where those parties (such as the Obligor) are unconnected to the DIFC.

If, in respect of any Series, the Obligor fails to pay (in whole or in part) the relevant Exercise Price in connection with its purchase of an interest in the relevant Wakala Portfolio under the Purchase Undertaking, the Delegate (on behalf of the relevant Certificateholders) may, subject to the matters set out in Condition 16 (*Enforcement and Exercise of Rights*) and the terms of the Master Trust Deed relating to the enforcement of rights, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking and the indemnity provisions set out in the Master Trust Deed against the Obligor by commencing proceedings in the DIFC Courts, which should accept the choice of English law as the governing law of the Purchase Undertaking and the Master Trust Deed.

Under Article 7 of Law No. 12 of 2004 as amended by Law No. 16 of 2011, any final and unappealable judgment, order or award issued by the DIFC Courts that is appropriate for enforcement in favour of the Delegate (on behalf of the relevant Certificateholders) shall, upon application by the Delegate to the Dubai courts, be enforced by the Dubai courts against the Obligor without such courts re-examining the merits of the judgment, order or award. Investors should note, however, that as at the date of this Base Prospectus, there has been very limited case law relating to Law No. 16 2011 and therefore it is not certain as to how the DIFC Courts intend to exercise their jurisdiction under the new law should any party dispute the right of the DIFC Courts to hear a particular dispute where such parties are unconnected to the DIFC.

The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") entered into force in the UAE on 19 November 2006. In the absence of any other multilateral or bilateral enforcement convention, an arbitration award rendered in London should be

enforceable in Dubai in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the Dubai courts find that the subject matter of the dispute is not capable of settlement by arbitration, or enforcement would be contrary to the public policy of the UAE.

There is no established track record as to how the New York Convention provisions would be interpreted and applied by the Dubai courts in practice and whether the Dubai courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other multilateral or bilateral enforcement convention). This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different Emirates within the UAE, some with their own court systems, whose rulings may have no more than persuasive force cross-border. Although there are examples of foreign arbitral awards being enforced in the UAE under the New York Convention, there are other cases where the enforcement of foreign arbitral awards has been refused.

Federal Law No. 42 of 2022 Promulgating the Civil Procedure Code ("**Law of Civil Procedure**") also governs the enforcement of foreign arbitral awards in the UAE. Under the Law of Civil Procedure, in the absence of an applicable multilateral or bilateral treaty with force of law, arbitral awards made in any state other than the UAE may be refused enforcement by the Dubai courts for the reasons set out in Article 222 and Article 223 of Law of Civil Procedure. However, Article 225 of the Law of Civil Procedure further provides that the rules set out in the foregoing articles do not prejudice the provision of treaties and agreements entered into by the UAE with other States (which includes the New York Convention). There remains a risk that, notwithstanding Article 225 of the Law of Civil Procedure or the terms of an applicable multilateral or bilateral enforcement convention, the Dubai courts may in practice still consider and apply the grounds set out in Federal Law No. 6 of 2018 (the "**UAE Arbitration Law**") to the enforcement of any non-UAE arbitral award. As the UAE Arbitration Law and the Law of Civil Procedure are both relatively untested, it is unclear how they will be applied by the Dubai courts in practice. Accordingly, there is a risk that a non-UAE arbitral award will be refused enforcement by the Dubai courts.

UAE bankruptcy law

In the event of the insolvency of the Obligor, UAE bankruptcy law may adversely affect the ability of the Obligor to perform its obligations under the Transaction Documents. There is little precedent to predict how a claim on behalf of Certificateholders against the Obligor would be resolved in the case of the insolvency of the Obligor (including the approach that would be adopted by a liquidator or analogous insolvency official in respect of any subordination agreed as a matter of contract between the Obligor and any of its creditors).

Claims for specific enforcement

In the event that the Obligor fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include obtaining an order for specific enforcement of the relevant obligations or a claim for damages. An order for specific enforcement is at the discretion of the court and there is no assurance that a court will provide such an order.

The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the Trustee and the Delegate to mitigate any loss arising as a result of the breach. No assurance is provided on the level of damages which a court may award in the event of a failure by the Obligor to perform its obligations as set out in the Transaction Documents to which it is a party.

Sovereign immunity

Under the Transaction Documents to which it is a party, the Obligor has waived its rights in relation to sovereign immunity in respect of such documents. However, there can be no assurance as to whether such waivers of immunity from suit, execution or attachment or other legal process by the Obligor under such Transaction Documents are legal, valid, binding and enforceable under the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE.

Shariah requirements in relation to interest awarded by a court

In accordance with applicable Shariah principles, each of the Trustee and the Delegate will waive all and any entitlement it may have to interest awarded in its favour by an arbitrator as a result of any arbitration and/or by a court in connection with any dispute under any of the Transaction Documents. Should there be any delay in the enforcement of a judgment or arbitral award given against the Obligor, judgment interest may accrue in respect of that delay and, as a result of the waiver referred to above, Certificateholders will not be entitled to receive any part of such interest.

Risk Factors Relating to the Wakala Assets

Ownership and transfer of the Wakala Assets

The Shariah analysis is as follows: an ownership interest in the Wakala Assets comprised within the relevant Wakala Portfolio will pass to the Trustee under the Master Purchase Agreement as supplemented by the relevant Supplemental Purchase Agreement (together, the "**Purchase Agreement**"). The Trustee will declare a trust in respect of the Wakala Assets and the other Trust Assets in favour of the Certificateholders of the relevant Series pursuant to the relevant Trust Deed. Accordingly, from a Shariah perspective, Certificateholders should, through the ownership interest obtained by the Trustee pursuant to the terms of the Purchase Agreement, have an undivided ownership interest in the relevant Wakala Assets.

The Wakala Assets will be selected by the Obligor, and none of the Certificateholders, the Trustee or the Delegate will have any ability to influence such selection. Only limited representations will be obtained from the Obligor in respect of the Wakala Assets. No steps are intended to be taken to perfect the legal transfer of the ownership interest (including registration, if necessary) in the Wakala Assets with any relevant regulatory authority in the UAE or otherwise give notice to any lessee or obligor in respect thereof and no investigation will be made by the Trustee, the Arrangers, the Dealers or the Delegate as to whether the Obligor remains in actual or constructive possession, custody or control of any of the Wakala Assets at any time. Therefore, Certificateholders shall have no legal interest in any Wakala Assets which require perfection in order to legally transfer any ownership interest therein.

Further, although the Shariah analysis is such that an ownership interest in the Wakala Assets should pass to the Trustee under the Purchase 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 all (or the applicable portion thereof, as the case may be) of the Wakala Assets pursuant to the terms of the Purchase Undertaking.

Limitations relating to the indemnity provisions in the Purchase Undertaking and the Master Trust Deed

The Obligor has undertaken in the Purchase Undertaking and the Master Trust Deed that, in relation to any Series: (i) if, at the time of delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, the Obligor remains in actual or constructive possession, custody or control of all or any part of the relevant Wakala Assets; and (ii) if, following delivery of an exercise notice in accordance with the provisions of the Purchase Undertaking, the Obligor fails to pay the relevant Exercise Price for any reason, thereby resulting in the Obligor's failure to comply with its obligations in accordance with the provisions of Purchase Undertaking, 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 in respect of which the exercise notice is delivered and, accordingly, the amount payable under any such indemnity claim will equal the relevant Exercise Price.

Subject to the satisfaction of the conditions set out in the above paragraph, if the Obligor fails to pay the relevant Exercise Price in accordance with the Purchase Undertaking, the Delegate may, subject to the matters set out in Condition 16 (*Enforcement and Exercise of Rights*) and the terms of the Master Trust Deed, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking and the Master Trust Deed against the Obligor by commencing arbitral or legal proceedings. See further "*Risk Factors – Risk Factors Relating to Enforcement – Investors may experience difficulties in enforcing foreign arbitration awards and foreign judgments in Dubai*".

However, investors should note that, in the event that the Obligor does not remain in actual or constructive possession, custody or control of all or any part of the relevant Wakala Assets comprising the Wakala Portfolio at the time of delivery of the exercise notice in accordance with the provisions of the Purchase

Undertaking (for any reason whatsoever, including because the legal nature of such interest as the Obligor may have in the Wakala Assets does not amount to possession, custody or control in the view of a court or arbitral tribunal), the condition in (i) as described above will not be satisfied and, therefore, no amounts will be payable by the Obligor under the separate indemnity provisions. For the avoidance of doubt, no investigation has been or will be made by the Trustee, the Arrangers, the Dealers or the Delegate as to whether the Obligor has or will continue to remain in actual or constructive possession, custody or control of all or any part of the Wakala Assets comprising the Wakala Portfolio.

Accordingly, in such event, the Delegate (on behalf of the Certificateholders) may be required to establish that there has been a breach of contract by the Obligor in order to prove for damages. Such breach of contract may be due to: (a) a breach by the Obligor of the requirement to purchase the Trustee's interests, rights, title, benefits and entitlements in, to and under the Wakala Assets on the relevant Maturity Date or Dissolution Date pursuant to the provisions of the Purchase Undertaking; and/or (b) a breach by the Obligor (acting in its capacity as Service Agent pursuant to the provisions of the Service Agency Agreement) of its undertaking to maintain actual or constructive possession, custody or control of all of the Wakala Assets in accordance with the provisions of the Service Agency Agreement.

As a result, the Delegate (on behalf of the Certificateholders) may not be able to recover, or may face significant challenges in recovering, an amount equal to the relevant Exercise Price and, in turn, the amount payable to the Certificateholders upon redemption.

Risk Factors Relating to the Structure of a Particular Issue of Certificates

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

The Certificates may be subject to early dissolution by the Trustee

If so provided in the applicable Final Terms, a Series may be redeemed early at the option of the Trustee. Any such early redemption feature of any Certificate is likely to limit its market value. During any period when the Trustee may elect to redeem Certificates, the market value of those Certificates generally will not rise substantially above the dissolution amount payable. This also may be true prior to any redemption period.

The Trustee may be expected to redeem Certificates when the Trustee's matching deposits rates are lower than the profit rate on the Certificates. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Certificates being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider re-investment risk in light of other investments available at that time.

The Certificates may be subject to early redemption for tax reasons

If the Trustee becomes obliged to pay any additional amounts in respect of the Certificates as set out in Condition 13 (*Taxation*) as a result of any 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 date on which agreement is reached to issue a Series of Certificates, the Trustee may redeem all but not some only of the outstanding Certificates of such Series in accordance with Condition 12.2 (*Early Dissolution for Tax Reasons*).

In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security with a similar rate of return, which may have an adverse effect on the position of such investor. During any period when the Trustee may elect to redeem the Certificates, the market value of the Certificates generally will not rise substantially above the Early Dissolution Amount (Tax). Potential investors should consider re-investment risk in light of other investments available at that time.

Regulation and reform of "benchmarks" may adversely affect the trading market for, value of and return on Certificates based on such "benchmarks"

Interest rates (including profit rates) and indices which are deemed to be "benchmarks" (including, without limitation, the euro interbank offered rate ("**EURIBOR**")) are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective

whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted.

The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the UK. The EU Benchmarks Regulation or the UK Benchmarks Regulation, as applicable, could have a material impact on any Certificates linked to or referencing EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmarks Regulation or UK Benchmarks Regulation and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark.

More broadly, any of the international or national reforms or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the discontinuance or unavailability of quotes of certain benchmarks.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. In May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

The elimination of benchmarks, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the Periodic Distribution Amount calculation provisions of the Conditions (as further described in Condition 9.7 (*Benchmark Replacement*)), or result in adverse consequences to holders of any Certificates linked to such benchmark. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Certificates, the return on the relevant Certificates and the trading market for securities (including the Certificates) based on the same benchmark.

The Conditions provide for certain fallback arrangements in the event that a published benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event, as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Certificates. Such fallback arrangements include the possibility that the Rate could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Certificates may not achieve this objective. Any such changes may result in the Certificates performing differently (which may include payment of a lower Rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of a Rate for a particular Return Accumulation Period may result in the Rate for the last preceding Return Accumulation Period being used.

This may result in the effective application of a fixed rate for Certificates in respect of which the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable based on the Rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time.

Additionally, in order to facilitate the calculation of a Successor Rate or Alternative Reference Rate, and in each case, the applicable Adjustment Spread, the Conditions provide that the Obligor may vary the

Conditions and/or the Agency Agreement without any requirement for the consent or approval of the Certificateholders.

Any such consequences could have a material adverse effect on the value of and return on any such Certificates.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and UK Benchmarks Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Certificates linked to or referencing a benchmark and the material adverse effect these may have on the value or liquidity of, and return on, any Certificates which reference any such benchmark.

Risk factors relating to Certificates denominated in Renminbi

Certificates denominated in Renminbi ("**RMB Certificates**") may be issued under the Programme. RMB Certificates contain particular risks for potential investors, including as set out below.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of RMB Certificates

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the People's Bank of China ("**PBoC**") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Trustee to source Renminbi to finance its obligations under Certificates denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the RMB Certificates and the Trustee's ability to source Renminbi outside the PRC to service RMB Certificates

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

While the PBoC (i) has entered into agreements (the "**Settlement Arrangements**") on the clearing of Renminbi business with financial institutions (the "**Renminbi Clearing Banks**") in a number of financial centres and cities, including but not limited to Hong Kong; (ii) has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement; and (iii) is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business-participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore,

Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC, although PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Certificates. To the extent the Trustee is required to source Renminbi in the offshore market to service its RMB Certificates, there is no assurance that the Trustee will be able to source such Renminbi on satisfactory terms, if at all.

Investment in RMB Certificates is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBoC has in recent years implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of profit and principal will be made in Renminbi with respect to the RMB Certificates unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Certificates in that foreign currency will decline.

Gains on the transfer of the RMB Certificates may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of RMB Certificates by non-PRC resident enterprise or individual holders may be subject to PRC enterprise income tax ("EIT") or PRC individual income tax ("IIT") if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident enterprise from the transfer of RMB Certificates but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident or individual holder from the transfer of RMB Certificates.

However, uncertainty remains as to whether the gain realised from the transfer of RMB Certificates by non-PRC resident enterprise or individual holders would be treated as income derived from sources within the PRC and thus become subject to EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, holders who are residents of Hong Kong, including enterprise holders and individual holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Certificates.

Therefore, if enterprise or individual resident holders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of RMB Certificates, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual holders of RMB Certificates reside that reduces or exempts the relevant EIT or IIT, the value of their investment in RMB Certificates may be materially and adversely affected.

Payments in respect of RMB Certificates will only be made to investors in the manner designated in the RMB Certificates

All payments to investors in respect of the RMB Certificates will be made solely: (i) for so long as the RMB Certificates are represented by global certificates held with the common depositary for Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong; (ii) for so long as the RMB Certificates are represented by global certificates lodged with a sub-custodian for or registered with the Central Moneymarkets Unit Service (the "**CMU**"), by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures; or (iii) for so long as the RMB Certificates are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Trustee cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

An investment in RMB Certificates is subject to interest rate risks

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As RMB Certificates may carry a fixed profit rate, the trading price of the RMB Certificates will consequently vary with the fluctuations in Renminbi interest rates. If holders of the RMB Certificates propose to sell their RMB Certificates before their maturity, they may receive an offer lower than the amount they have invested.

Other Risk Factors Relating to the Terms of the Certificates

The Certificates are limited recourse obligations

The Certificates to be issued under the Programme are not debt obligations of the Trustee. Instead, the Certificates represent an undivided ownership interest solely in the relevant Trust Assets. Recourse to the Trustee in respect of each Series of Certificates is limited to the Trust Assets of that Series and the proceeds of such Trust Assets are the sole source of payments on the relevant Certificates. Upon the occurrence of a Dissolution Event, or early dissolution pursuant to Condition 12 (*Capital Distributions of Trust*), the sole rights of each of the Trustee and, through the Delegate, the Certificateholders of the relevant Series of Certificates will be against the Obligor to perform its obligations under the Transaction Documents to which it is a party.

Certificateholders will otherwise have no recourse to any assets of the Trustee, the Obligor, the Delegate, the relevant Dealer(s) or the Principal Paying Agent or any affiliate of any of the foregoing entities in respect of any shortfall in the expected amounts due under the Transaction Documents in respect of the relevant Trust Assets. 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 such 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 action 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 rights in respect of the Trust Assets of a Series and distributing the net proceeds of such Trust Assets in accordance with Condition 6.2 (*Application of Proceeds from the Trust Assets*), the obligations of the Trustee in respect of the Certificates of the relevant Series shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of such Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Purchase Undertaking and the sole right of the Trustee, the Delegate and the Certificateholders against the Obligor shall be to enforce the obligation of the Obligor to pay the relevant Exercise Price under the Purchase Undertaking and otherwise perform its obligations under the Transaction Documents to which it is a party.

Taxation risks on payments

Payments made by the Obligor to the Trustee under the Transaction Documents or by the Trustee in respect of the Certificates could become subject to taxation. The Service Agency Agreement and the Purchase Undertaking each require the Obligor to pay additional amounts in the event that any withholding or deduction is required by UAE law to be made in respect of payments made by it to the Trustee under those documents. Condition 13 (*Taxation*) provides that the Trustee is required to pay additional amounts in respect of any such withholdings or deductions imposed by the Cayman Islands and/or the UAE (see Condition 13 (*Taxation*) and the definitions of "Taxes" and "Relevant Jurisdiction") in certain circumstances. In the event that the Trustee fails to gross-up for any such withholding or deduction on payments due in respect of the Certificates to Certificateholders, the Obligor has, pursuant to the Master Trust Deed, unconditionally and irrevocably undertaken (irrespective of the payment of any fee), as a continuing obligation, to pay to the Trustee (for the benefit of the Certificateholders) an amount equal to the liabilities of the Trustee in respect of any and all additional amounts required to be paid in respect of the Certificates pursuant to Condition 13 (*Taxation*) in respect of any withholding or deduction in respect of any tax as set out in that Condition.

The Certificates are subject to modification by a majority of Certificateholders without the consent of all Certificateholders

The Conditions contain provisions for calling meetings of Certificateholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Certificateholders including Certificateholders who did not attend and vote at the relevant meeting and Certificateholders who voted in a manner contrary to the majority.

The Conditions also provide that the Obligor and/or the Independent Advisor may agree, without the consent of Certificateholders, to any modification of any Certificates, in the circumstances specified in Condition 9.7 (*Benchmark Replacement*).

Investors must make their own determination as to Shariah compliance

The Emirates Islamic Internal Shariah Supervision Committee, the Standard Chartered Bank Global Shariah Supervisory Committee and the Emirates NBD Islamic Internal Shariah Supervision Committee have each confirmed that the Transaction Documents are, in their view, in compliance with the principles of Shariah, as applicable to, and interpreted by, them. However, there can be no assurance that the Transaction Documents or any issue and trading of any Certificates will be deemed to be Shariah-compliant by any other Shariah board or Shariah scholars. None of the Trustee, the Obligor, the Delegate or the Dealers makes any representation as to the Shariah compliance of any Certificates and/or any trading thereof, the Transaction Documents or the above pronouncements and prospective investors are reminded that, as with any Shariah views, differences in opinion are possible and different Shariah standards may be applied by different Shariah boards. In addition, none of the Delegate, the Agents or the Dealers will have any responsibility for monitoring or ensuring compliance with any Shariah principles of debt trading for the purposes of Condition 12.5 (*Redemption at the Option of the Certificateholders (Tangibility Event)*) nor shall it be liable to any Certificateholder or any other person in respect thereof.

Prospective investors should not rely on the above pronouncements in deciding whether to make an investment in the Certificates and should obtain their own independent Shariah advice as to the compliance of the Transaction Documents and whether the Certificates will meet their individual standards of compliance and the issue and trading of the Certificates with Shariah principles, including the tradability of the Certificates on any secondary market. Questions as to the Shariah compliance of the Transaction Documents or the Shariah permissibility of the issue and the trading of the Certificates may limit the liquidity and adversely affect the market value of the Certificates.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties under the Transaction Documents would be, if in dispute, the subject of arbitration in London under the LCIA Arbitration Rules. The Obligor has also agreed under the Transaction Documents to which it is a party to submit to the non-exclusive jurisdiction of the courts of England or the DIFC Courts, at the option of the Trustee or the Delegate. In such circumstances, the arbitrator or judge (as applicable) should apply the governing law of the relevant Transaction Document in determining the obligations of the parties.

Trading in the clearing systems

In relation to any issue of Certificates which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Certificates may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his 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 principal amount of Certificates such that its holding amounts to a Specified Denomination.

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 be illiquid and difficult to trade.

If a Certificateholder holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time, such Certificateholder may not receive a definitive Certificate in respect of such holding (should definitive Certificates be printed) and would need to purchase a principal amount of Certificates such that its holding amounts to at least a Specified Denomination in order to be eligible to receive a definitive Certificate.

Reliance on Euroclear and Clearstream, Luxembourg procedures

Each Series of Certificates will be represented on issue by one or more Global Certificates that will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Certificate, investors will not be entitled to receive Certificates in definitive form. Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Certificates. While the Certificates are represented by a Global Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their respective participants. While Certificates are represented by a Global Certificate, the Trustee will discharge its payment obligation under such 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 to receive 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. 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.

Other Risk Factors Relating to the Market Price and Marketability of the Certificates

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Obligor or the Certificates. The ratings may not reflect the potential impact of all risks related to the transaction structure, the market, the additional factors discussed above, or any 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 in the EEA, unless such ratings are issued by a credit rating agency established in the EEA 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 third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country 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 being included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use, for UK regulatory purposes, ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (i) endorsed by a UK registered credit rating agency; or (ii) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to: (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended; and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Certificates changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Certificates may have a different regulatory treatment, which may impact the value of the Certificates and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

A secondary market may not develop for any Certificates

There is no assurance that a market for the Certificates will develop or, if it does develop, that it will continue for the life of such Certificates. Accordingly, a Certificateholder may not be able to find a buyer to buy its Certificates readily or at prices that will enable the Certificateholder to realise a desired yield. The market value of the Certificates may fluctuate and a lack of liquidity, in particular, can have a severe adverse effect on the market value of the Certificates. Accordingly, the purchase of the Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the Certificates and the financial and other risks associated with an investment in the Certificates.

The Certificates may be delisted following the occurrence of a Tangibility Event

If a Tangibility Event occurs, the Obligor (in its capacity as Servicing Agent) will be required to notify the Trustee and the Delegate of the same and the Trustee will be required to promptly notify the Certificateholders that: (i) a Tangibility Event has occurred, together with an explanation of the reasons for, and evidence of, such occurrence; (ii) as determined in consultation with the Emirates Islamic Internal Shariah Supervision Committee, the Certificates shall be tradable only in accordance with the Shariah principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis); (iii) on the date falling 15 days following the Tangibility Event Redemption Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates have been admitted to listing or if such date is not a business day, the next following business day ("**business day**" being, for this purpose, a day on which the stock exchange on which the Certificates are admitted to listing is open for business); and (iv) the Tangibility Event Put Right Period, during which period any Certificateholder shall have the option to require the redemption of all or any of its Certificates. The occurrence of such an event may have a significant adverse impact on the liquidity and market value of the Certificates.

Certificates may be subject to exchange rate risks and exchange controls

The Trustee will pay Periodic Distribution Amounts and Dissolution Amounts on the Certificates in the Specified Currency. 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 Amounts 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 profit or principal than expected, or no profit or principal.

DOCUMENTS INCORPORATED BY REFERENCE

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

- (i) the audited consolidated annual financial statements of the Group as at and for the year ended 31 December 2022 available at:

https://www.emiratesislamic.ae/eng/assets/files/finance/EI_Financial_Report_Q4_2022_En.pdf

including:

- (a) Group consolidated statement of financial position (page 7);
- (b) Group consolidated income statement (pages 8);
- (c) Group consolidated statement of comprehensive income (page 9);
- (d) Group consolidated statement of cash flows (page 10);
- (e) Group consolidated statement of changes in equity (page 11);
- (f) notes to the Group consolidated financial statements (pages 12-92); and
- (g) independent auditors' report (pages 1-6);

- (ii) the audited consolidated annual financial statements of the Group as at and for the year ended 31 December 2021 available at:

https://www.emiratesislamic.ae/eng/assets/files/finance/EI_Financial_Report_Q4_2021_En.pdf

including:

- (a) Group consolidated statement of financial position (page 7);
- (b) Group consolidated income statement (page 8);
- (c) Group consolidated statement of comprehensive income (page 9);
- (d) Group consolidated statement of cash flows (page 10);
- (e) Group consolidated statement of changes in equity (page 11);
- (f) notes to the Group consolidated financial statements (pages 12-95); and
- (g) independent auditors' report (pages 1-6); and

- (iii) the Terms and Conditions of the Certificates contained on pages 46 to 86 (inclusive) in the base prospectus dated 19 October 2021 prepared by the Trustee and the Obligor in connection with the Programme available at:

https://www.emiratesislamic.ae/eng/assets/files/finance/Base_Prospectus_dated_19_October_2021.pdf

- (iv) the Terms and Conditions of the Certificates contained on pages 42 to 81 (inclusive) in the base prospectus dated 29 July 2020 prepared by the Trustee and the Obligor in connection with the Programme available at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_f5168165-72e2-4d86-ad45-9b63a3846f2f.pdf

Any information incorporated by reference in any of the documents listed in paragraphs **Error! Reference source not found.** to (iii) (inclusive) above which is not incorporated by reference in this Base Prospectus

shall not form part of this Base Prospectus and is deemed to either be not relevant for an investor or is covered elsewhere in this Base Prospectus.

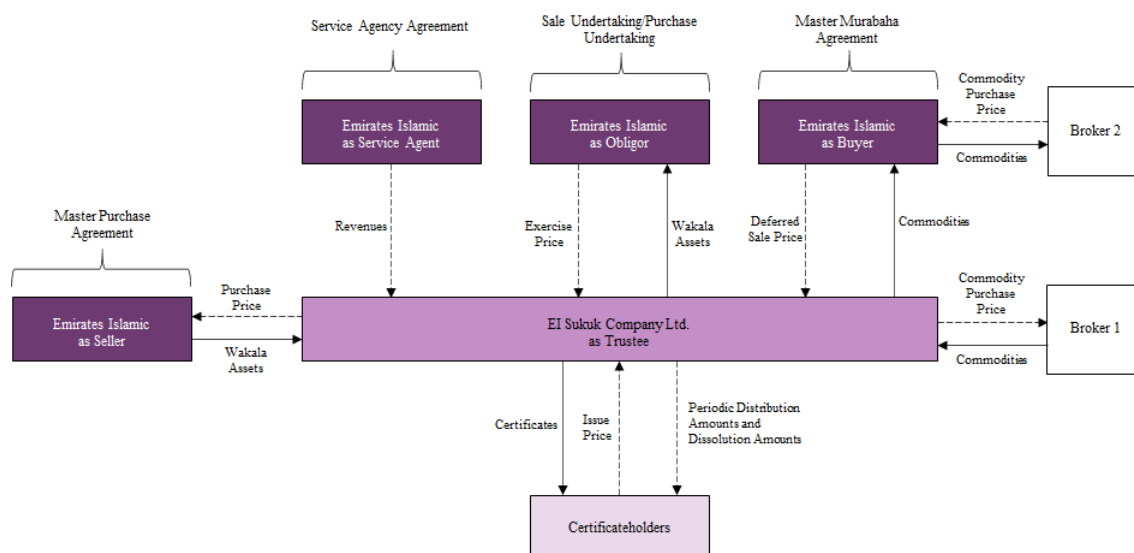
Copies of documents incorporated by reference in this Base Prospectus can be obtained from Euronext Dublin's website at <https://live.euronext.com/> and, upon request, free of charge, from the registered office of the Obligor and from the specified offices of the Principal Paying Agent for the time being in London.

Following the publication of this Base Prospectus, a supplement may be prepared by the Trustee and the Obligor and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation and by the DFSA in accordance with the Markets Rules. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

STRUCTURE DIAGRAM AND CASHFLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying each Series of Certificates issued. Potential investors are referred to the terms and conditions of the Certificates and the summary of the relevant Transaction Documents set out elsewhere in this document for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.

Structure Diagram



Payments by the Certificateholders and the Trustee

On the issue date of a Tranche (the "**Issue Date**"), the Certificateholders will pay the issue price in respect of the Certificates (the "**Issue Price**") to the Trustee, and the Trustee will apply this as follows:

- (i) an amount as specified in the applicable Final Terms which will not be more than 49 per cent. of the aggregate issue proceeds of the relevant Certificates (the "**Murabaha Investment Amount**"), to purchase certain Shariah-compliant commodities (the "**Commodities**") through the Trustee's commodity agent. The Trustee will sell such Commodities to Emirates Islamic (in its capacity as buyer, the "**Buyer**") on a deferred payment basis for a sale price specified in an offer notice (the "**Deferred Sale Price**") pursuant to a murabaha contract (the "**Murabaha Contract**") and the Master Murabaha Agreement (such sale of Shariah-compliant commodities by the Trustee to the Buyer and all of the Trustee's rights and entitlements against the Buyer in connection therewith being the "**Commodity Murabaha Investment**"); and
- (ii) the remaining portion of the issue proceeds of the relevant Certificates which will not be less than 51 per cent. of aggregate issue proceeds of the relevant Certificates (the "**Purchase Price**"), to purchase from Emirates Islamic (in its capacity as seller, the "**Seller**") all of its interests, rights, title, benefits and entitlements, present and future, in, to and under a portfolio of specified profit generating assets (in the case of the first Tranche of the relevant Series of Certificates, the "**Initial Wakala Assets**" or, in the case of each subsequent Tranche of the relevant Series of Certificates, the "**Additional Assets**") comprising one or more of the following:
 - (a) real estate and/or non-real estate *ijara* assets, each of which is subject to an existing *ijara* contract whereby the lessee enjoys the use of the asset (provided that such real estate or non-real estate asset, as the case may be, is in existence on the date on which it forms part of the Wakala Portfolio) (the "**Ijara Assets**"); and/or
 - (b) sukuk or trust certificates that have underlying tangible assets associated with them as determined by the Emirates Islamic Internal Shariah Supervision Committee for Shariah purposes (the "**Tangible Sukuk**", together with Ijara Assets, the "**Tangible Assets**" and each a "**Tangible Asset**"),

and, in each case, comprising Shariah-compliant assets owned, originated or held (other than in the capacity of a custodian for the benefit of a third party) by Emirates Islamic in accordance with the Shariah principles laid down by the Emirates Islamic Internal Shariah Supervision Committee (each a "**Wakala Asset**" and together, the "**Wakala Assets**"). The Wakala Assets held at the relevant time by the Trustee in relation to each Series comprise the "**Wakala Portfolio**" which, together with any Commodity Murabaha Investments, comprise the "**Sukuk Portfolio**".

In respect of a Tranche, the applicable Final Terms will set out the overall percentage of the aggregate issue proceeds of that Tranche that will be used on the Issue Date towards acquiring tangible assets (which shall be at least 51 per cent.) (the "**Tangible Asset Percentage**") and intangible assets (which shall not be more than 49 per cent.) (the "**Intangible Asset Percentage**"). The Murabaha Investment Amount in respect of a Tranche shall be an amount as specified in the applicable Final Terms which shall be equal to (a) the Intangible Asset Percentage multiplied by the aggregate face amount of the Certificates of that Tranche; less (b) to the extent that the Wakala Assets for such Tranche include any Tangible Sukuk and such Tangible Sukuk have any underlying intangible assets associated with them as determined by the Emirates Islamic Internal Shariah Supervision Committee for Shariah purposes, the sum of the intangible parts of each such Tangible Sukuk, where the "intangible part" of a Tangible Sukuk is an amount equal to the outstanding face amount of such Tangible Sukuk multiplied by the difference of (i) 100 per cent. minus (ii) the Tangibility Requirement of such Tangible Sukuk. For the purposes of this paragraph, "**Tangibility Requirement**" means, for a Tangible Sukuk, the minimum tangibility requirement (expressed as a percentage) that is required to be satisfied on an ongoing basis as detailed in the relevant legal documentation relating to such Tangible Sukuk.

Periodic distribution payments

In accordance with the Service Agency Agreement, in relation to each Series, the Service Agent will maintain three book-entry ledger accounts (such book-entry ledger accounts being referred to as the "**Principal Collection Account**", the "**Income Collection Account**" and the "**Reserve Account**") in which all revenues from the Wakala Assets and the Commodity Murabaha Investment (the "**Portfolio Revenues**") will be recorded. For the avoidance of doubt, in respect of the Wakala Assets, the Portfolio Revenues shall include all rental and other amounts payable by the relevant Asset Obligors under the terms of the relevant Asset Contracts, and all sale proceeds or consideration, actual damages, insurance proceeds, compensation or other sums received by the Service Agent or Emirates Islamic in whatever currency in respect of or otherwise in connection with the relevant Wakala Assets. For the purposes of this paragraph, "**Asset Contract**" means the contracts and/or other agreements and/or documents evidencing or otherwise related to or associated with a Wakala Asset and "**Asset Obligor**" means the entity obliged to make payments in respect of a Wakala Asset in accordance with applicable laws and the terms of the relevant Asset Contract.

In relation to a Series, all revenues in respect of the relevant Wakala Assets which comprise amounts in the nature of sale, capital or principal payments (including, without limitation, any total loss and expropriation related insurance proceeds and any indemnity payments) and including any amounts payable by the Service Agent under certain provisions of the Service Agency Agreement and the commodity purchase price portion of the Deferred Sale Price shall comprise the "**Principal Revenues**" and shall be recorded by the Service Agent in the Principal Collection Account while any revenue other than Principal Revenues (including, for the avoidance of doubt, all payments of the murabaha profit component of the relevant Deferred Sale Price under the relevant Commodity Murabaha Investment) shall comprise the "**Income Revenues**" and shall be recorded by the Service Agent in the Income Collection Account.

On each Distribution Determination Date, amounts standing to the credit of the relevant Income Collection Account, to the extent available, shall be applied by the Service Agent for payment into the relevant Transaction Account of an amount equal to the aggregate of the Periodic Distribution Amounts and any other amounts payable by the Trustee under the Certificates of the relevant Series on the immediately following Periodic Distribution Date (the "**Required Amount**") and such Required Amount will be applied by the Trustee for that purpose.

If on the business day prior to a Periodic Distribution Date, after the payment to the Service Agent of any amounts advanced by it to the Trustee by way of a Liquidity Facility (as defined below) and the payment of any actual claims, actual losses, actual 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 providing its services under the Service Agency Agreement (the "**Service Agent Liabilities Amount**"), the amounts standing to the

credit of the Income Collection Account are greater than the relevant Required Amount, such excess returns shall be credited by the Service Agent to the Reserve Account.

If on the business day prior to a Periodic Distribution Date the amounts standing to the credit of the Transaction Account are 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, the Service Agent may, at its discretion, provide either:

- (i) Shariah-compliant funding itself to the Trustee; or
- (ii) procure Shariah-compliant funding from a third party to be paid to the Trustee,

in each case, in an amount equal to the shortfall remaining (if any) and on terms that such funding is to be settled: (a) from Income Revenues received in respect of a subsequent period in accordance with the Service Agency Agreement; or (b) on a Dissolution Date, from the relevant exercise price payable pursuant to the terms of the Purchase Undertaking or the Trustee's Sale and Purchase Undertaking, as the case may be, to ensure that the Trustee receives on each 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 (such funding in relation to a Series, a "**Liquidity Facility**").

Dissolution payments

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

- (i) the aggregate amounts of Deferred Sale Price then outstanding, if any, shall become immediately due and payable;
- (ii) the Trustee will have the right under the Purchase Undertaking to require the Obligor to purchase all of its interests, rights, title, benefits and entitlements, present and future, in, to and under the Wakala Assets at the relevant Exercise Price; and
- (iii) without double counting, the amounts (if any) standing to the credit of the Principal Collection Account will be paid into the Transaction Account in accordance with the Service Agency Agreement,

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

The Certificates in relation to any Series may be redeemed in whole or in part, as the case may be, prior to the relevant Maturity Date for the following reasons: (a) for taxation reasons; (b) if so specified in the applicable Final Terms, at the option of the Obligor; (c) if so specified in the applicable Final Terms, at the option of the Certificateholders; (d) upon the occurrence of a Tangibility Event, at the option of the Certificateholders; (e) upon the exercise of the Clean Up (Call) Right; and (f) following a Dissolution Event.

In the case of paragraphs (a), (b) and (e) above, on the business day prior to the relevant Dissolution Date:

- (a) the aggregate amounts (or the applicable portion thereof) of Deferred Sale Price then outstanding, if any, shall become immediately due and payable;
- (b) the Obligor will have the right under the Trustee's Sale and Purchase Undertaking to require the Trustee to sell all (or the applicable portion thereof, as the case may be) of its interests, rights, title, benefits and entitlements, present and future, in, to and under the Wakala Assets at the relevant Exercise Price or Optional Call Exercise Price, as the case may be; and
- (c) without double counting, the amounts (if any) standing to the credit of the Principal Collection Account will be paid into the Transaction Account in accordance with the Service Agency Agreement,

and such amounts are intended to fund the relevant Dissolution Amount payable by the Trustee under the Certificates of the relevant Series on the Early Tax Dissolution Date, the Optional Dissolution Date or the Clean Up (Call) Dissolution Date, as the case may be.

In the case of paragraph (c), paragraph (d) and paragraph (f) above, such redemption of the Certificates shall be funded in a similar manner as for the payment of the relevant Final Dissolution Amount on the Maturity Date.

For Shariah reasons, the Optional Dissolution (Call) Right and the Optional Redemption (Investor Put) Right cannot both be specified as applicable in the applicable Final Terms in respect of any single Series.

GENERAL DESCRIPTION OF THE PROGRAMME

The following is an overview of the principal features of the Programme. This overview does not contain all of the information that an investor should consider before investing in Certificates and is qualified in its entirety by the remainder of this Base Prospectus and the applicable Final Terms. Each investor should read the entire Base Prospectus and the applicable Final Terms carefully, especially the risks of investing in the Certificates issued under the Programme discussed under "Risk Factors".

Words and expressions defined in "*Form of the Certificates*" and "*Terms and Conditions of the Certificates*" shall have the same meanings in the following description.

Certain Transaction Documents are described in more detail in "*Summary of the Principal Transaction Documents*" below.

Trustee:	EI Sukuk Company Ltd., an exempted company incorporated in accordance with the laws of the Cayman Islands.
Obligor:	Emirates Islamic Bank PJSC.
Ownership of the Trustee:	The authorised share capital of the Trustee is U.S.\$50,000 consisting of 50,000 shares of a nominal or par value of U.S.\$1 each, of which 250 shares are fully paid up and issued. The Trustee's entire issued share capital is held by MaplesFS Limited with registered office at P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands under the terms of a trust for charitable purposes.
Administration of the Trustee:	<p>MaplesFS Limited (the "Corporate Administrator") provides, among other things, certain administrative services for and on behalf of the Trustee pursuant to an amended and restated corporate services agreement dated 13 October 2021 between, <i>inter alios</i>, the Trustee and the Corporate Administrator (the "Corporate Services Agreement").</p> <p>The Corporate Administrator also provides registered office services to the Trustee in accordance with its standard terms and conditions for the provision of registered office services (the "Registered Office Terms").</p>
Arrangers:	Emirates Islamic Bank PJSC, Emirates NBD Bank PJSC and Standard Chartered Bank.
Dealers:	Emirates Islamic Bank PJSC, Emirates NBD Bank PJSC, Standard Chartered Bank and any other Dealers appointed in accordance with the Programme Agreement.
Delegate:	Citibank N.A., London Branch.
Principal Paying Agent, Paying Agent, Calculation Agent and Transfer Agent:	Citibank N.A., London Branch.
Registrar:	Citibank Europe Plc.
Certain Restrictions:	Each issue of Certificates denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws,

guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*"). The proceeds of any issue of Certificates will not be accepted in the UK.

- Programme Size:** Up to U.S.\$2,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Trustee may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
- Issuance in Series:** The Certificates will be issued in Series. Each Series may comprise one or more Tranches issued on different Issue Dates. The Certificates will all be subject to identical terms, except that the date of issuance and the amount payable on the first Periodic Distribution Date may be different in respect of different Tranches. The specific terms of each Tranche will be set out in the applicable Final Terms.
- Distribution:** Certificates may be distributed on a syndicated or non-syndicated basis.
- Currencies:** Subject to any applicable legal or regulatory restrictions, any currency agreed between the Trustee, the Obligor and the relevant Dealer(s).
- Maturities:** The Certificates will have such maturities as may be agreed between the Trustee, the Obligor and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee or the relevant Specified Currency.
- Issue Price:** Certificates may only be issued on a fully-paid basis and at an issue price which is at par.
- Form of Certificates:** The Certificates will be issued in registered form as described in "*Form of the Certificates*". The Certificates of each Tranche of a Series will be represented on issue by ownership interests in a Global Certificate.
- Clearance and Settlement:** Holders of the Certificates must hold their interest in the relevant Global Certificate through Euroclear or Clearstream, Luxembourg. Transfers within and between Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearance systems.
- Status:** Each Certificate evidences an undivided *pro rata* ownership interest in the Trust Assets of the relevant Series subject to the terms of the Trust Deed, the Master Murabaha Agreement, the Purchase Undertaking, the Trustee's Sale and Purchase Undertaking and the Conditions and is a limited recourse obligation of the Trustee. Each Certificate ranks *pari passu*, without any preference or priority, with all other Certificates of the relevant Series issued under the Programme.
- Periodic Distributions:** Certificateholders are entitled to receive Periodic

Distribution Amounts, out of the amounts transferred to the Transaction Account pursuant to the terms of the Service Agency Agreement and the other Transaction Documents, calculated on the basis specified in the applicable Final Terms.

- Redemption of Certificates:** The Certificates of each Series shall be redeemed at the applicable Dissolution Amount, as each such amount shall be specified in the applicable Final Terms.
- 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 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 relevant Specified Currency (see "*Certain Restrictions*" above) and save that the minimum denomination of each Certificate admitted to trading on a regulated market within the EEA or offered to the public either in a Member State or in the UK in circumstances which would otherwise require the publication of a prospectus under either the Prospectus Regulation or Regulation (EU) 2017/1129 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK Prospectus Regulation**") will be €100,000 (or, if the Certificates are denominated in a currency other than euro, the equivalent amount in such currency).
- Dissolution Events:** Upon the occurrence of any Dissolution Event, the Certificates may be redeemed on the Dissolution Date at the Final Dissolution Amount together with the accrued but unpaid Periodic Distribution Amounts (if any) and the relevant Return Accumulation Period may be adjusted accordingly. See Condition 15 (*Dissolution Events*).
- Optional Dissolution (Call) Right:** If so specified in the applicable Final Terms, all or part of a Series of Certificates may be redeemed prior to the Maturity Date in the circumstances set out in Condition 12.3 (*Dissolution at the Option of the Trustee*). If, pursuant to such Condition, all of a Series of Certificates are redeemed, the Trust in respect of such Series of Certificates shall be dissolved.
- Optional Redemption (Investor Put) Right:** If so specified in the applicable Final Terms, all or part of a Series of Certificates may be redeemed prior to the Maturity Date in the circumstances set out in Condition 12.4 (*Redemption at the Option of the Certificateholders (Put Right)*). If, pursuant to such Condition, all of a Series of Certificates are redeemed, the Trust in respect of such Series of Certificates shall be dissolved.
- Optional Redemption (Tangibility Event) Right:** Upon the occurrence of a Tangibility Event, the Certificateholders may redeem all or part of a Series of Certificates in the circumstances set out in Condition 12.5 (*Redemption at the Option of the Certificateholders (Tangibility Event)*). If, pursuant to such Condition, all of a Series of Certificates are redeemed, the Trust in respect of such Series of Certificates shall be dissolved.

Clean Up (Call) Right:

If 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to Condition 12 (*Capital Distributions of Trust*) the Trustee shall, upon receipt of a duly completed Exercise Notice from the Obligor pursuant to the Trustee's Sale and Purchase Undertaking, on giving not less than the Minimum Notice Period nor more than the Maximum Notice Period to the Delegate and the Certificateholders in accordance with Condition 18 (*Notices*), redeem the Certificates in whole, but not in part, at their Clean Up (Call) Amount on the Clean Up (Call) Dissolution Date subject to and in accordance with Condition 12.6 (*Dissolution upon a Clean Up (Call) Right*).

Early Dissolution for Tax Reasons:

Where: (i) the Trustee has or will become obliged to pay any additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any 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 (including a holding by a court of competent jurisdiction or, by any authority in or of a Relevant Jurisdiction having a power to tax), which change or amendment becomes effective on or after the Issue Date and such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or (ii) the Obligor has or will become obliged to pay additional amounts pursuant to the terms of any of the Transaction Documents as a result of any 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 (including a holding by a court of competent jurisdiction or, by any authority in or of a Relevant Jurisdiction having a power to tax), which change or amendment becomes effective on or after the Issue Date and such obligation cannot be avoided by the Obligor taking reasonable measures available to it, the Trustee may, with the prior written consent of the Obligor, redeem the Certificates in whole but not in part at an amount equal to the relevant Early Dissolution Amount (Tax) together with the accrued but unpaid Periodic Distribution Amounts (if any) to the Early Tax Dissolution Date.

Withholding Tax:

All payments in respect of Certificates by the Trustee shall be made without withholding or deduction for, or on account of, any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction. In the event that any such withholding or deduction is made, the Trustee will, save in the limited circumstances provided in Condition 13 (*Taxation*), be required to pay additional amounts so that the holders of the Certificates will receive the full amounts that they would have received in the absence of such withholding or deduction.

Negative Pledge:

The Purchase Undertaking contains a negative pledge given by the Obligor. See Condition 5 (*Negative Pledge*) and "*Summary of the Principal Transaction Documents*".

Covenants: The Trustee has agreed to certain restrictive covenants as set out in Condition 7 (*Covenants*).

Ratings: The Programme is expected to be rated 'A+' by Fitch.

The ratings assigned to each Series of Certificates to be issued under the Programme 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, reduction or withdrawal at any time by the assigning rating agency.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation unless: (i) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established under the CRA Regulation; or (ii) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless: (a) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation; or (b) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

Listing and Admission to Trading: Application has been made to Euronext Dublin for Certificates issued under the Programme to be admitted to the Official List and for such Certificates to be admitted to trading on its Regulated Market.

Application has also been made to the DFSA for the Certificates issued under the Programme to be admitted to the DFSA Official List and an application may be made to Nasdaq Dubai for any Series of Certificates to be admitted to trading on Nasdaq Dubai.

Certificates may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Trustee, the Obligor and the relevant Dealer(s) in relation to the Series. Certificates which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Certificates are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Transaction Documents: The Transaction Documents in relation to each Series shall comprise the Master Trust Deed and each Supplemental Trust Deed, the Agency Agreement, the

Master Purchase Agreement and each Supplemental Purchase Agreement, the Service Agency Agreement, the Trustee's Sale and Purchase Undertaking and any sale agreement and additional assets sale agreement entered into pursuant thereto, the Purchase Undertaking and any sale agreement and new asset sale agreement entered into pursuant thereto and the Master Murabaha Agreement (together with all documents, notices of request to purchase, offer notices, acceptances, notices and confirmations delivered or entered into as contemplated by the Master Murabaha Agreement in connection with the relevant Series).

Governing Law and Dispute Resolution:

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

Each Transaction Document (except any Dubai Law Document) and any non-contractual obligations arising out of or in connection with such Transaction Document will be governed by, and shall be construed in accordance with, English law. In respect of any dispute, claim, difference or controversy arising out of or in connection with any such Transaction Document, the parties thereto have each consented to arbitration in accordance with the LCIA Arbitration Rules unless, *inter alios*, the Trustee, the Obligor (in respect of the Trustee's Sale and Purchase Undertaking only), the Delegate or the Agents, as the case may be, elects to have the dispute, claim, difference or controversy resolved by a court, in which case the English courts and DIFC courts will each have non-exclusive jurisdiction to settle such dispute, claim, difference or controversy.

The Dubai Law Documents will be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. In respect of any dispute arising out of or in connection with any such Dubai Law Document, the parties thereto have each consented to the courts of Dubai having non-exclusive jurisdiction to settle such dispute.

For this purpose, the Master Purchase Agreement, each Supplemental Purchase Agreement, any sale agreement and additional assets sale agreement entered into pursuant to the Trustee's Sale and Purchase Undertaking and any sale agreement and new asset sale agreement entered into pursuant to the Purchase Undertaking comprise the "**Dubai Law Documents**".

The Corporate Services Agreement and the Registered Office Terms are governed by the laws of the Cayman Islands. The courts of the Cayman Islands have jurisdiction to hear all disputes relating to the Corporate Services Agreement and the Registered Office Terms.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Certificates in the Cayman Islands, the DIFC, Hong Kong, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, Malaysia, the PRC, the EEA, Singapore, the State of Qatar (including the Qatar Financial Centre), the UAE

(excluding the DIFC), the UK, the United States and such other restrictions as may be required in connection with the offering and sale of a particular Series of Certificates (see "*Subscription and Sale*").

United States Selling Restrictions: Regulation S, Category 2.

FORM OF THE CERTIFICATES

The Certificates of each Series will be in registered form. Certificates will be issued outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended ("**Regulation S**").

Each Series of Certificates will initially be represented by a global trust certificate in registered form (a "**Global Certificate**"). Global Certificates will be deposited with a common depository (the "**Common Depository**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and will be registered in the name of a nominee for the Common Depository. Persons holding beneficial interests in Global Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Certificates in fully registered form (the "**Individual Certificates**").

Payments of any amount in respect of the Global Certificates will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 2.2 (*Register*)) as the registered holder of the Global Certificates. None of the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payment of any amounts in respect of Individual Certificates will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 1.1 (*Definitions*)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Global Certificate will be exchangeable (free of charge), in whole but not in part, for Individual Certificates only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to Certificateholders in accordance with Condition 18 (*Notices*) if an Exchange Event occurs. For these purposes, "**Exchange Event**" means that: (i) a Dissolution Event (as defined in Condition 15 (*Dissolution Events*)) has occurred and is continuing; or (ii) the Trustee has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in paragraph (ii) above, the Trustee may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

For so long as any of the Certificates are represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular face amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the 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 treated by the Trustee, the Delegate and their respective agents as the holder of such face amount of such Certificates for all purposes other than with respect to any payment on such face amount of such Certificates, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Trustee and its agents as the holder of such face amount of such Certificates in accordance with and subject to the terms of the relevant Global Certificate and the expressions "**Certificateholder**" and "**holder of Certificates**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as may be approved by the Trustee and the Principal Paying Agent.

APPLICABLE FINAL TERMS

[EU 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, "EU 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 EU 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.]

[UK MiFIR 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 only eligible counterparties, as defined in the United Kingdom (the "UK") Financial Conduct Authority ("FCA") Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); 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 "**UK distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") 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.]

[Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as amended or modified from time to time (the "SFA") Product Classification – [Notice to be included if classification of the Certificates is not "prescribed capital markets products", pursuant to Section 309B of the SFA .]]

Final Terms dated []

EI SUKUK COMPANY LTD.

Legal entity identifier (LEI): [549300IIDFP0RTSSG071]

**Issue of [Aggregate Face Amount of Tranche] [Title of Certificates]
under the U.S.\$2,500,000,000 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 (the "**Conditions**") set forth in the base prospectus dated 7 February 2023 [and the supplement[s] to the base prospectus dated [] [and []]] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") (the "**Base Prospectus**"). [This document constitutes the Final Terms of the Certificates described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus.]¹

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the base prospectus dated [29 July 2020]/[19 October 2021], which are incorporated by reference into the base prospectus dated 7 February 2023]. This document constitutes the Final Terms of the Certificates described herein for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and must be read in conjunction with the base prospectus dated 7 February 2023 [and the supplement[s] to the base prospectus dated [] [and []]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation.]

Full information on the Trustee 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 is available for viewing: (i) on the website of Euronext Dublin at <https://live.euronext.com/>; (ii) on the website of Nasdaq Dubai at

¹ Delete 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 Regulation.

<http://www.nasdaqdubai.com>; and (iii) during normal business hours at the registered office of the Trustee at P.O. Box 6564, Dubai, United Arab Emirates and the specified office of the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

1. Trustee: EI Sukuk Company Ltd.
2. Obligor and Service Agent: Emirates Islamic Bank PJSC
3. (a) Series Number: []
- (b) Tranche Number: []
- (c) Date on which the Certificates which are Additional Certificates will be consolidated and form a single Series: [The Certificates which are Additional Certificates will be consolidated and form a single Series with [*identify earlier Tranche(s)*] on [*insert date*]]/[Not Applicable]
4. Specified Currency: []
5. Aggregate Face Amount:
 - (a) Series: []
 - (b) Tranche: []
6. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued Periodic Distribution Amounts from (and including) [] to (but excluding) [the Issue Date]]
7. (a) Specified Denominations: []
- (b) Calculation Amount: []
8. (a) Issue Date: []
- (b) Return Accumulation Commencement Date: []/[Issue Date]/[Not Applicable]
9. Maturity Date: []
10. Periodic Distribution Amount Basis:

[[] per cent. Fixed Periodic Distribution Amount]

[[] +/- [] per cent. Floating Periodic Distribution Amount]
11. Dissolution Basis: Subject to any purchase and cancellation or early redemption, the Certificates will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
12. Change of Periodic Distribution Basis: []/[Not Applicable]
13. Call/Put Rights:

[Optional Dissolution (Call) Right]

[Optional Redemption (Investor Put) Right]

[Not Applicable]
14. Status: Senior

15. Date of Trustee's board approval [] and [], respectively and the Obligor's board approval for issuance of Certificates obtained:

PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS (IF ANY) PAYABLE

16. Fixed Periodic Distribution Provisions [Applicable]/[Not Applicable]
- (a) 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 Maturity Date]
- (c) Fixed Amount(s): [] per Calculation Amount
- (d) Broken Amount(s): [[] per Calculation Amount, payable on the Periodic Distribution Date falling [in/on] []]/[Not Applicable]
- (e) Day Count Fraction: [Actual/Actual (ICMA)]/[30/360]
- (f) Determination Date(s): [] in each year
- (g) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
- (h) [Periodic Distribution Date Adjustment:] [[Applicable]/[Not Applicable]]
(Applicable to RMB Certificates only)
- (i) [Business Centre(s):] [[]/[Not Applicable]]
(Applicable to RMB Certificates only)
17. Floating Periodic Distribution Provisions: [Applicable]/[Not Applicable]
- (a) Specified Periodic Distribution Dates: [] in each year[, subject to adjustment in accordance with (c) below]
- (b) Specified Period: []/[Not Applicable]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[Not Applicable]
- (d) Additional Business Centre(s): []/[Not Applicable]
- (e) Screen Rate Determination: [Applicable]/[Not Applicable]

- (i) Reference Rate: [BBSW]/[EIBOR]/[EURIBOR]/[HIBOR]/
[PRIBOR]/[SAIBOR]/[SHIBOR]/[TRLIBOR]
- (ii) Periodic Distribution Determination Date(s): []
- (iii) Relevant Screen Page: []
- (iv) Relevant Time []
- (f) ISDA Determination: [Applicable]/[Not Applicable]
 - (i) ISDA Definitions: [2006 ISDA Definitions / 2021 ISDA Definitions]
 - (ii) Floating Rate Option: []
 - (iii) Designated Maturity: []
 - (iv) Reset Date: []/[as specified in the ISDA Definitions]/[the first day of the relevant Periodic Distribution Period, subject to adjustment in accordance with the Business Day Convention set out in 17(c) above and as specified in the ISDA Definitions]
- (g) Margin: [+/-][] per cent. per annum
- (h) Day Count Fraction: [Actual/Actual (ISDA)]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
[30E/360 (ISDA)]
- (i) Calculation Agent: [Principal Paying Agent]/[]

PROVISIONS RELATING TO DISSOLUTION

- 18. Final Dissolution Amount: [] per Calculation Amount
 - (a) Early Dissolution Amount (Tax) (following early dissolution for tax reasons): [[] per Calculation Amount]/[Final Dissolution Amount]
 - (b) Notice Period: Minimum Notice Period: [30] days
Maximum Notice Period: [60] days
- 19. Tangibility Event Redemption Amount: [[] per Calculation Amount]/[Final Dissolution Amount]
- 20. Clean Up (Call) Amount: [[] per Calculation Amount]/[Final Dissolution Amount]
 - (a) Notice Period: Minimum Notice Period: [30] days
Maximum Notice Period: [60] days

21. Dissolution Amount pursuant to Condition 15 (*Dissolution Events*): per Calculation Amount]/[Final Dissolution Amount]

PROVISIONS RELATING TO OPTIONAL REDEMPTION

22. Optional Dissolution (Call) Right: [Applicable]/[Not Applicable]
- (a) Optional Dissolution Amount (Call): per Calculation Amount
- (b) Optional Dissolution Date(s): []
- (c) Notice Period: Minimum Notice Period: [30] days
Maximum Notice Period: [60] days
23. Optional Redemption (Investor Put) Right: [Applicable]/[Not Applicable]
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: per Calculation Amount
- (c) Notice Period: Minimum Notice Period: [15] days
Maximum Notice Period: [30] days

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

24. Form of Certificates: Global Certificates exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Global Certificate
25. Additional Financial Centre(s): []/[Not Applicable]
26. Renminbi Currency Event: [Applicable]/[Not Applicable]

PROVISIONS IN RESPECT OF THE SUKUK PORTFOLIO

27. Details of Transaction Account: [EI Sukuk Company Ltd.] Transaction Account No: [] for Series No. []
28. Tangible Asset Percentage: []
29. Intangible Asset Percentage: []
30. Murabaha Investment Amount: []/[Not Applicable]
31. Supplemental Trust Deed: Supplemental Trust Deed dated [] between the Trustee, the Obligor and the Delegate
32. Supplemental Purchase Agreement: Supplemental Purchase Agreement dated [] between the Trustee and the Obligor
33. [Declaration of Commingling of Assets: Declaration of Commingling of Assets dated [] executed by the Trustee]

SIGNED on behalf of **EI Sukuk Company Ltd.**

By: _____
Duly authorised

SIGNED on behalf of **Emirates Islamic Bank PJSC**

By: _____
Duly authorised

By: _____
Duly authorised

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING

- (a) Admission to trading: [Application [has been]/[will be] made by the Trustee (or on its behalf) for the Certificates to be admitted to trading on [the Regulated Market of Euronext Dublin] [and] [Nasdaq Dubai] and, listing on the [Official List of Euronext Dublin] [and the] [DFSA Official List] with effect from []/[Not Applicable]
- (b) Estimate of total expenses related to admission to trading: []

2. RATINGS

[The Certificates to be issued [have been]/[are expected to be] rated]/[are unrated]/[The following ratings reflect ratings assigned to Certificates of this type issued under the Programme generally]:

[Fitch: []]

[Fitch is established in the United Kingdom and registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law of the UK by virtue of the European (Withdrawal) Act 2018. As such, Fitch appears on the latest update of the list of registered credit rating agencies on the [United Kingdom Financial Conduct Authority's]/[FCA's] Financial Services Register. The rating issued by Fitch is endorsed by Fitch Ratings Ireland Limited, which is established in the EU and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**"). As such, Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA 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 are aware, no person involved in the issue of the Certificates has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Trustee and, the Obligor and each of their respective affiliates in the ordinary course of business for which they may receive fees]/[Not Applicable]

4. PROFIT OR RETURN (Fixed Rate Periodic Distribution Certificates only)

[[] per cent. per annum or a [quarterly]/[semi-annual] basis]/[Not Applicable]

5. USE OF PROCEEDS

- (a) Reasons for the offer: See "*Use of Proceeds*" in the Base Prospectus
- (b) Estimated amount of net proceeds: []

6. OPERATIONAL INFORMATION

- (a) ISIN Code: []
- (b) Common Code: []
- (c) Additional identification code: CFI Code: [[]/[As set out on the website of the Association of Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]]

FISN: [[]/[As set out on the website of the Association of Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]]

[]

- (d) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, SA and the relevant identification number(s); []/[Not Applicable]
- (e) Delivery: Delivery [against]/[free of] payment
- (f) Names and addresses of additional Paying Agent(s) (if any): []/[Not Applicable]
- (g) Benchmark Administrator[s]: [[Specify benchmark] is provided by [administrator legal name]. As at the date hereof, [administrator legal name] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Benchmarks Regulation. [As far as the Trustee and the Obligor are aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [administrator legal name] is not currently required to obtain authorisation/registration (or, if located outside the EU, recognition, endorsement or equivalence)]]/[Not Applicable]

7. **THIRD PARTY INFORMATION**

[[Relevant third party information] has been extracted from [specify source]. Each of the Trustee and the Obligor 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 [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading]/[Not Applicable]

8. **DISTRIBUTION**

- (a) Method of distribution: [Syndicated]/[Non-syndicated]
- (b) If syndicated, names of Managers: []
- (c) Date of [Subscription] Agreement: []
- (d) Stabilisation Manager(s) (if any): []/[Not Applicable]
- (e) If non-syndicated, name of relevant Dealer: []/[Not Applicable]
- (f) Selling restrictions: [Regulation S, Category 2]/[]

TERMS AND CONDITIONS OF THE CERTIFICATES

The following is the text of the Terms and Conditions of the Certificates, which (save for the text in italics) will be endorsed on each Certificate in definitive registered form issued under the Programme and will apply to each Global Certificate.

EI Sukuk Company Ltd. (in its capacity as issuer and as trustee, the "**Trustee**") has established a programme (the "**Programme**") for the issuance of trust certificates (the "**Certificates**" and each a "**Certificate**") in a maximum aggregate face amount of U.S.\$2,500,000,000 as may be increased in accordance with the terms of the Master Trust Deed (as defined below).

Certificates issued under the Programme are issued in series (each a "**Series**"). The final terms for a Certificate (or the relevant provisions thereof) are set out in Part A of the applicable Final Terms attached to or endorsed on a Certificate which supplement and complete these Terms and Conditions (the "**Conditions**"). References to the "**applicable Final Terms**" are to the final terms (or the relevant provisions thereof) attached to or endorsed on each Certificate.

Each of the Certificates will represent an undivided *pro rata* ownership interest in the relevant Trust Assets (as defined below) which are held by the Trustee on trust (the "**Trust**") for the benefit of the registered holders of the Certificates pursuant to: (a) an amended and restated master trust deed dated 7 February 2023 (the "**Master Trust Deed**") and made between the Trustee, Emirates Islamic Bank PJSC as obligor (the "**Obligor**") and Citibank N.A., London Branch as the Trustee's delegate (the "**Delegate**"); and (b) the supplemental trust deed(s) in respect of the relevant Series (each, a "**Supplemental Trust Deed**" and, together with the Master Trust Deed, the "**Trust Deed**") between the same parties and dated the relevant Issue Date.

In these Conditions, references to "**Certificates**" shall be references to the Certificates which are the subject of the applicable Final Terms. In these Conditions and in any applicable Final Terms, "**Tranche**" means Certificates which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Certificates together with any further Tranche or Tranches of Certificates which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates and/or Issue Price.

The Certificates of each Series shall form a separate series and these Conditions shall apply *mutatis mutandis* separately and independently to the Certificates of each Series and, in these Conditions, the expressions "**Certificates**", "**Certificateholders**" and related expressions shall be construed accordingly.

Payments relating to the Certificates will be made pursuant to an amended and restated agency agreement dated 7 February 2023 (the "**Agency Agreement**") made between the Trustee, the Obligor and Citibank Europe Plc in its capacity as registrar (in such capacity, the "**Registrar**", which expression shall include any successor), Citibank N.A., London Branch in its capacities as principal paying agent (in such capacity, the "**Principal Paying Agent**", which expression shall include any successor), transfer agent (in such capacity, the "**Transfer Agent**", which expression shall include any successor) and calculation agent, and the paying agents appointed therein (together with the Principal Paying Agent, the "**Paying Agents**"). The Principal Paying Agent, the Paying Agents, the Calculation Agent, the Transfer Agent and the Registrar are together referred to as the "**Agents**".

Copies of the documents set out below: (1) are available for inspection by holders and obtainable free of charge by appointment at the specified office for the time being of the Principal Paying Agent; or (2) will, at the option of the Principal Paying Agent, be available by email at a holder's request (subject to provision of proof of holding satisfactory to the Principal Paying Agent and the Obligor), in each case, during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays).

The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the documents set out below:

- (A) an amended and restated master purchase agreement between the Trustee and the Obligor dated 7 February 2023 (the "**Master Purchase Agreement**");
- (B) a supplemental purchase agreement (the "**Supplemental Purchase Agreement**" and, together with the Master Purchase Agreement, the "**Purchase Agreement**") between the same parties to the Master Purchase Agreement and dated the relevant Issue Date;

- (C) an amended and restated service agency agreement between, *inter alia*, the Trustee and the Obligor as service agent (the "**Service Agent**") dated 7 February 2023 (the "**Service Agency Agreement**");
- (D) an amended and restated purchase and sale undertaking entered into by the Trustee in favour of the Obligor dated 7 February 2023 (the "**Trustee's Sale and Purchase Undertaking**");
- (E) an amended and restated purchase undertaking entered into by the Obligor in favour of the Trustee and the Delegate dated 7 February 2023 (the "**Purchase Undertaking**");
- (F) a master murabaha agreement dated 7 February 2023 between the Trustee and the Obligor (together with all documents, notices of request to purchase, offer notices, acceptances, notices and confirmations delivered or entered into as contemplated by the Master Murabaha Agreement in connection with the relevant Series) (the "**Master Murabaha Agreement**") and each relevant Murabaha Contract (as defined in the Master Murabaha Agreement);
- (G) the Trust Deed;
- (H) the Agency Agreement;
- (I) an amended and restated corporate services agreement between MaplesFS Limited (as provider of corporate services to the Trustee) and the Trustee dated 13 October 2021 (the "**Corporate Services Agreement**"); and
- (J) the applicable Final Terms,

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

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Trustee (acting as trustee on behalf of the Certificateholders) to: (x) apply the proceeds of the issue of the Certificates in accordance with the terms of the Transaction Documents (as defined below); and (y) enter into, and perform its obligations under and in connection with, each Transaction Document, subject to the terms and conditions of the Trust Deed and these Conditions.

1. INTERPRETATION

1.1 Definitions

Words and expressions defined in the Trust Deed and the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between any such document and the applicable Final Terms, the applicable Final Terms will prevail. In addition, in these Conditions the following expressions have the following meanings:

"**2006 ISDA Definitions**" means, in relation to a Series of Certificates, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Certificates of such Series) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);

"**2021 ISDA Definitions**" means, in relation to a Series of Certificates, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Certificates of such Series, as published by ISDA on its website (www.isda.org);

"**Additional Assets**" has the meaning given to it in the Trustee's Sale and Purchase Undertaking;

"**Additional Assets Exercise Price**" has the meaning given to it in the Trustee's Sale and Purchase Undertaking;

"Additional Assets Sale Agreement" means the agreement substantially in the form as set out in Schedule 5 (*Form of Additional Assets Sale Agreement*) to the Trustee's Sale and Purchase Undertaking;

"Additional Business Centre" means the city or cities specified as such in the applicable Final Terms;

"Additional Certificates" means, in respect of a Series, Certificates issued pursuant to Condition 21 (*Further Issuances*);

"Additional Financial Centre" means the city or cities specified as such in the applicable Final Terms;

"Auditors" means a firm of independent auditors of good repute appointed by the Obligor;

"Broken Amount" has the meaning given to it in the applicable Final Terms;

"Calculation Agent" means the Principal Paying Agent (including any successor) or such other Person specified in the applicable Final Terms as the party responsible for calculating the Periodic Distribution Amount and/or such other amount(s) as may be specified in the applicable Final Terms in accordance with Condition 9 (*Floating Periodic Distribution Provisions*);

"Calculation Amount" has the meaning given to it in the applicable Final Terms;

"Clean Up (Call) Right" has the meaning given to it in Condition 12.6 (*Dissolution upon a Clean Up (Call) Right*);

"Clean Up (Call) Amount" has the meaning given to it in the applicable Final Terms;

"Clean Up (Call) Dissolution Date" has the meaning given to it in Condition 12.6 (*Dissolution upon a Clean Up (Call) Right*);

"Clearstream, Luxembourg" means Clearstream Banking, S.A.;

"Clearing System" means Euroclear, Clearstream, Luxembourg and/or any additional or alternative clearing system as may be approved by the Trustee and the Principal Paying Agent, as applicable;

"Commodities" has the meaning given to it in the Master Murabaha Agreement;

"Commodity Murabaha Investment" means the sale of certain Commodities by the Trustee to the Obligor (in its capacity as the Buyer (as defined in the Master Murabaha Agreement)), in connection with a Tranche, which Commodities were initially purchased by the Trustee using the Murabaha Investment Amount specified in the applicable Final Terms of that Tranche pursuant to the Master Murabaha Agreement and having the terms set out in the relevant Murabaha Contract;

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

"Delisting Notice" has the meaning given to it in Condition 12.5;

"Designated Maturity" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate and, in relation to ISDA Determination, the date set out in the applicable Final Terms;

"Dissolution Amount" means, as appropriate, the Final Dissolution Amount, the Early Dissolution Amount (Tax), the Optional Dissolution Amount (Call), Optional Redemption Amount, Tangibility Event Redemption Amount, Clean Up (Call) Amount or such other amount in the nature of a redemption amount to be paid on a Dissolution Date as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms;

"Dissolution Date" means, as the case may be: (i) the Maturity Date; (ii) the Dissolution Event Redemption Date; (iii) the Early Tax Dissolution Date; (iv) an Optional Dissolution Date; (v) an

Optional Redemption Date; (vi) a Tangibility Event Redemption Date; or (vii) a Clean Up (Call) Dissolution Date;

"Dissolution Event Redemption Date" has the meaning given to it in Condition 15 (*Dissolution Events*);

"Distribution Period" means, in relation to a Series, the period beginning on (and including) the Issue Date of the first Tranche under that Series and ending on (but excluding) the relevant First Distribution Date and each successive period beginning on (and including) a Periodic Distribution Date and ending on (but excluding) the next succeeding Periodic Distribution Date;

"Distribution Determination Date" means, in relation to a Series, the Business Day immediately preceding each Periodic Distribution Date;

"Early Dissolution Amount (Tax)" means the Early Dissolution Amount (Tax) as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms;

"Early Tax Dissolution Date" has the meaning given to it in Condition 12.2 (*Early Dissolution for Tax Reasons*);

"Euroclear" means Euroclear Bank SA/NV;

"Exercise Price" has the meaning given to it in the Trustee's Sale and Purchase Undertaking or, as the case may be, the Purchase Undertaking;

"Extraordinary Resolution" has the meaning given to it in Schedule 4 to the Master Trust Deed;

"Final Dissolution Amount" means the Final Dissolution Amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms;

"First Distribution Date" means, in relation to each Series, the date specified as such in the relevant Service Agency Scope;

"Fixed Amount" means the Fixed Amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms;

"Intangible Asset Percentage" means the percentage specified as such in the applicable Final Terms, which shall be no more than 49 per cent.;

"ISDA" means the International Swaps and Derivatives Association, Inc. (or any successor);

"ISDA Definitions" has the meaning given in the applicable Final Terms;

"Issue Date" means the issue date of each Tranche of Certificates under a Series as specified in the applicable Final Terms;

"Issue Price" means the issue price payable by Certificateholders of each Tranche of Certificates under a Series as specified in the applicable Final Terms;

"Margin" means the Margin as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms;

"Maturity Date" means, in respect of each Series, the date so specified in the applicable Final Terms;

"Maximum Notice Period" has the meaning given to it in the applicable Final Terms;

"Minimum Notice Period" has the meaning given to it in the applicable Final Terms;

"Murabaha Contract" has the meaning given to it in the Master Murabaha Agreement;

"Murabaha Investment Amount" means, in relation to a Tranche, the relevant amount as specified in the applicable Final Terms which is to be applied in the acquisition of Commodities

by or on behalf of the Trustee for the purposes of the entry into of a Murabaha Contract pursuant to the terms of the Master Murabaha Agreement, and which shall be equal to (a) the Intangible Asset Percentage multiplied by the aggregate face amount of the Certificates of that Tranche; less (b) the Sukuk Asset Intangible Proportion;

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

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

"**Optional Dissolution Amount (Call)**" means the Optional Dissolution Amount (Call) as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms;

"**Optional Dissolution Date**" means the date specified in the applicable Final Terms;

"**Optional Put Exercise Price**" has the meaning given to it in the Purchase Undertaking;

"**Optional Redemption Amount**" means the Optional Redemption Amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms;

"**Optional Redemption Date**" means the Optional Redemption Date or Optional Redemption Dates, as the case may be, as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms;

"**Payment Business Day**" means:

- (a) a day on which banks in the relevant place of surrender of the Individual Certificate are open for presentation and payment of registered securities and for dealings in foreign currencies; and
- (b) in the case of payment by transfer to an account:
 - (i) if the currency of payment is euro, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
 - (ii) if the currency of payment is not euro or Renminbi, any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre; or
 - (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong;

"**Periodic Distribution Amount**" means, in relation to a Certificate and a Return Accumulation Period, the amount of profit distribution payable in respect of that Certificate for that Return Accumulation Period which amount may be a Fixed Amount, a Broken Amount or an amount otherwise calculated in accordance with Condition 8 (*Fixed Periodic Distribution Provisions*) or Condition 9 (*Floating Periodic Distribution Provisions*);

"**Periodic Distribution Date Adjustment**" has the meaning given to it in the applicable Final Terms;

"**Periodic Distribution Determination Date**" has the meaning given to it in the applicable Final Terms;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Portfolio Revenues**" has the meaning given to it in the Service Agency Agreement;

"Rate" means the rate or rates (expressed as a percentage per annum) representing a defined share of the profits distributable by the Trustee in respect of the Certificates specified in the applicable Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the applicable Final Terms;

"Rating Agencies" means the rating agencies, each of which has assigned a credit rating to the Certificates, and their successors, and each a **"Rating Agency"**;

"Record Date" means: (a) in the case of the payment of a Periodic Distribution Amount: (i) in respect of a Global Certificate, at the close of business (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant Periodic Distribution Date; and (ii) in respect of Certificates in definitive form, the date falling on the fifteenth day before the relevant Periodic Distribution Date; and (b) in the case of the payment of a Dissolution Amount, the date falling two Payment Business Days before the relevant Dissolution Date;

"Reference Rate" means one of the following benchmark rates (as specified in the applicable Final Terms) in respect of the currency and period specified in the applicable Final Terms:

- (a) Australia Bank Bill Swap ("**BBSW**");
- (b) Emirates interbank offered rate ("**EIBOR**");
- (c) Euro-Zone interbank offered rate ("**EURIBOR**");
- (d) Hong Kong interbank offered rate ("**HIBOR**");
- (e) Prague interbank offered rate ("**PRIBOR**");
- (f) Saudi Arabia interbank offered rate ("**SAIBOR**");
- (g) Shanghai interbank offered rate ("**SHIBOR**"); and
- (h) Turkish Lira interbank offered rate ("**TRLIBOR**" or "**TRYLIBOR**").

"Relevant Date" means, in relation to any payment, whichever is the later of: (a) the date on which the payment in question first becomes due; and (b) if the full amount payable has not been received in the principal financial centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Certificateholders by the Trustee in accordance with Condition 18 (*Notices*);

"Relevant Jurisdiction" means, in respect of the Trustee, the Cayman Islands and, in respect of the Obligor, the United Arab Emirates or, in either case, any political subdivision or authority thereof or therein having the power to tax;

"Relevant Screen Page" means the page, section or other part of a particular information service specified as the Relevant Screen Page in the applicable Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" means the time specified as such in the applicable Final Terms;

"Required Amount" means, in relation to each Series and each relevant Periodic Distribution Date, an amount equal to the Periodic Distribution Amount payable on the relevant Periodic Distribution Date;

"Return Accumulation Commencement Date" has the meaning given to it in the applicable Final Terms;

"Return Accumulation Period" means the period from (and including) a Periodic Distribution Date (or the Return Accumulation Commencement Date) to (but excluding) the next (or first) Periodic Distribution Date;

"Service Agency Scope" means, in relation to a Series, the scope of services substantially in the form set out in Schedule 1 (*Service Agency Scope*) of the Service Agency Agreement;

"Specified Denomination" means the amount(s) specified as such in the applicable Final Terms;

"Specified Currency" means the currency specified as such in the applicable Final Terms or, if none is specified, the currency in which the Certificates are denominated;

"Specified Period" has the meaning given to it in the applicable Final Terms;

"Specified Periodic Distribution Date" has the meaning given to it in the applicable Final Terms;

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, the possession of voting power, contract, trust, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"Sukuk Asset Intangible Proportion" means, in respect of any Tangible Sukuk on the Issue Date of a Tranche, to the extent that such Tangible Sukuk have any underlying intangible assets associated with them as determined by the Emirates Islamic Internal Shariah Supervision Committee for Shariah purposes, the sum of the intangible parts of each such Tangible Sukuk, where the **"intangible part"** of a Tangible Sukuk is an amount equal to the outstanding face amount of such Tangible Sukuk multiplied by the difference of (i) 100 per cent. minus (ii) the Tangibility Requirement of such Tangible Sukuk;

"Sukuk Portfolio" has the meaning given to it in the Service Agency Agreement;

"Tangibility Event" means, at any time, the Tangibility Ratio falls below 33 per cent.;

"Tangibility Event Notice" means a notice in or substantially in the form set out the relevant schedule to the Service Agency Agreement, indicating that a Tangibility Event has occurred;

"Tangibility Event Put Notice" has the meaning given to it in Condition 12.5 (*Redemption at the Option of the Certificateholders (Tangibility Event)*);

"Tangibility Event Put Right Period" shall be the period of 30 days commencing on the date that a Delisting Notice is given;

"Tangibility Event Redemption Amount" means the Tangibility Event Redemption Amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms;

"Tangibility Event Redemption Date" shall be: (a) a date falling not less than 75 days following the expiry of the Tangibility Event Put Right Period; and (b) (if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable) a Periodic Distribution Date;

"Tangibility Ratio" has the meaning given to it in the Service Agency Agreement;

"Tangibility Requirement" has the meaning given to it in the Service Agency Agreement;

"Tangible Asset Percentage" means the percentage specified as such in the applicable Final Terms, which shall be at least 51 per cent.;

"**Tangible Sukuk**" has the meaning given to it in the Master Purchase Agreement;

"**TARGET Settlement Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open;

"**Tax Event**" has the meaning given to it in Condition 12.2 (*Early Dissolution for Tax Reasons*);

"**Taxes**" means any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction, and all liabilities with respect thereto;

"**Transaction Account**" means the account in the Trustee's name, details of which are specified in the relevant Supplemental Trust Deed(s) and the applicable Final Terms;

"**Transaction Documents**" means the Master Trust Deed and each Supplemental Trust Deed, the applicable Final Terms, the Agency Agreement, the Purchase Agreement, the Service Agency Agreement, the Trustee's Sale and Purchase Undertaking and any sale agreement and additional assets sale agreement entered into pursuant thereto, the Purchase Undertaking and any sale agreement and new asset sale agreement entered into pursuant thereto and the Master Murabaha Agreement (together with all documents, notices of request to purchase, offer notices, acceptances, notices and confirmations delivered or entered into as contemplated by the Master Murabaha Agreement in connection with the relevant Series);

"**Trust Assets**" means the assets, rights, cash or investments described in Condition 6.1 (*Trust Assets*);

"**Value**" has the meaning given to it in the Service Agency Agreement;

"**Wakala Assets**" has the meaning given to it in the Master Purchase Agreement; and

"**Wakala Portfolio**" has the meaning given to it in the Service Agency Agreement.

1.2 Interpretation

In these Conditions:

- (a) any reference to face amount shall be deemed to include the Dissolution Amount, any additional amounts (other than relating to Periodic Distribution Amounts) which may be payable under Condition 13 (*Taxation*), and any other amount in the nature of face amounts payable pursuant to these Conditions;
- (b) any reference to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of a profit distribution payable pursuant to these Conditions;
- (c) references to Certificates being "**outstanding**" shall be construed in accordance with the Master Trust Deed;
- (d) any reference to a Transaction Document shall be construed as a reference to that Transaction Document as amended and/or supplemented up to and including the Issue Date;
- (e) references to "**RMB Certificates**" are to Certificates denominated in Renminbi. References herein to "**Renminbi**", "**RMB**" and "**CNY**" are to the lawful currency of the People's Republic of China (the "**PRC**") that is deliverable offshore. For the purposes of these Conditions, references to the PRC exclude the Hong Kong Special Administrative Region of the PRC ("**Hong Kong**"), the Macau Special Administrative Region of the PRC ("**Macau**") and Taiwan; and
- (f) any reference in these Conditions to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be

construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

2. **FORM, DENOMINATION AND TITLE**

2.1 **Form and Denomination**

The Certificates are issued in registered form in the Specified Denominations, and in the case of Certificates in definitive form, are serially numbered.

For so long as any of the Certificates is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular face amount of such Certificates (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the 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 or proven error) shall be treated by the Trustee, the Obligor and the Agents as the holder of such face amount of such Certificates for all purposes other than with respect to payment in respect of such Certificates, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Trustee, the Obligor and any Agent as the holder of such face amount of such Certificates in accordance with and subject to the terms of the relevant Global Certificate and the expressions "**Certificateholder**" and "**holder**" in relation to any Certificates and related expressions shall be construed accordingly.

Certificates which are represented by a Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system applicable to the Certificates.

2.2 **Register**

The Registrar will maintain a register (the "**Register**") of Certificateholders in respect of the Certificates in accordance with the provisions of the Agency Agreement. A certificate of registration (each an "**Individual Certificate**") will be issued to each Certificateholder in respect of its entire registered holding of Certificates and will be serially numbered with an identifying number which will be recorded also on the Register.

2.3 **Title**

The Trustee, the Obligor and the Agents may (to the fullest extent permitted by applicable laws) deem and treat the person in whose name any outstanding Certificate is for the time being registered (as set out in the Register) as the holder of such Certificate or of a particular face amount of the Certificates for all purposes (whether or not such Certificate or face amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, and any notice of loss or theft or any writing thereon), and the Trustee, the Obligor and the Agents shall not be affected by any notice to the contrary.

All payments made to such registered holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for moneys payable in respect of such Certificate or face amount.

3. **TRANSFERS OF CERTIFICATES AND ISSUE OF CERTIFICATES**

3.1 **Transfers**

Subject to Conditions 3.4 (*Closed periods*), Condition 3.5 (*Regulations*) and the provisions of the Agency Agreement, a Certificate may be transferred in whole or in an amount equal to the Specified Denomination or any integral multiple thereof by depositing the Individual Certificate issued in respect of that Certificate, with the form of transfer on the back duly completed and

signed, at the specified office of the Registrar together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to provide the title of the transferor and the individuals who have executed the forms of transfer.

Certificates which are represented by a Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant clearing system through which the interest is held.

3.2 **Delivery of new Individual Certificates**

Each new Individual Certificate to be issued upon transfer of Certificates will, within five business days of receipt by the Registrar of the duly completed form of transfer endorsed on the relevant Individual Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Certificate to the address specified in the form of transfer. For the purposes of this Condition, "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the Registrar is located.

Where some but not all of the Certificates in respect of which an Individual Certificate is issued are to be transferred, a new Individual Certificate in respect of the Certificates not so transferred will, within five business days of receipt by the Registrar of the original Individual Certificate, be mailed by uninsured mail at the risk of the holder of the Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

3.3 **Formalities Free of Charge**

The registration of any transfer of Certificates will be effected without charge by or on behalf of the Trustee and the Registrar except that the Trustee and the Registrar may require the payment (or the giving of such indemnity as the Trustee and the Registrar may reasonably require) of a sum sufficient to cover any stamp duty, tax or other governmental charges which may be imposed in relation to such transfer.

3.4 **Closed Periods**

No Certificateholder may require the transfer of a Certificate to be registered during the period of 15 days ending on (and including) a Periodic Distribution Date, a Dissolution Date or any other date on which any payment of the face amount or payment of any profit in respect of a Certificate falls due.

3.5 **Regulations**

All transfers of Certificates and entries on the Register will be made subject to the detailed regulations concerning the transfer of Certificates scheduled to the Master Trust Deed. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Certificateholder who requests in writing a copy of such regulations.

Certificates are transferable (in whole or in part) and the Individual Certificate in respect of the Certificates to be transferred must be delivered for registration to the specified office of the Registrar with the form of transfer, which may be obtained from the Registrar, endorsed and accompanied by such other evidence as the Trustee may require to prove the title of the transferor or his right to transfer the Certificates. The holder of Certificates shall be entitled to receive in accordance with Condition 3.2 (*Delivery of new Individual Certificates*) only one Individual Certificate in respect of his entire holding of Certificates. In the case of a transfer of a portion of the face amount of an Individual Certificate, a new Individual Certificate in respect of the balance of the Certificates not transferred will be issued to the transferor in accordance with Condition 3.2 (*Delivery of new Individual Certificates*).

4. **STATUS AND LIMITED RECOURSE**

4.1 **Status**

Each Certificate will represent an undivided *pro rata* ownership interest in the relevant Trust Assets (pursuant to the Trust Deed and these Conditions) and will be a limited recourse obligation of the

Trustee. Each Certificate ranks *pari passu*, without any preference or priority, with all other Certificates of the relevant Series issued under the Programme.

4.2 **Obligor**

The payment obligations of the Obligor under the Transaction Documents are direct, unconditional, unsecured and unsubordinated obligations of the Obligor (subject to the provisions of Condition 5 (*Negative Pledge*)) and rank at least *pari passu* with the claims of the Obligor's other unsecured and unsubordinated creditors, save whose claim may be preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.

4.3 **Limited Recourse**

The proceeds of the relevant Trust Assets are the sole source of payments on the Certificates of each Series. Save as provided in this Condition 4 (*Status and Limited Recourse*), the Certificates do not represent an interest in or obligation of any of the Trustee, the Obligor, the Delegate any of the Agents or any of their respective affiliates. Accordingly, other than the Trust Assets, Certificateholders will have no recourse to any assets of the Trustee (including, in particular other assets comprised in other trusts, if any), the Obligor (to the extent it fulfils all of its obligations under the relevant Transaction Documents to which it is a party), the Delegate or Agents or any of their respective affiliates in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished.

The Obligor is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee (for and on behalf of the Certificateholders), and the Delegate will, as delegate of the Trustee for the Certificateholders, have direct recourse against the Obligor to recover such payments.

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. If, following distribution of such proceeds, there remains a shortfall in payments due under the Certificates, subject to Condition 16 (*Enforcement and Exercise of Rights*), no Certificateholder will have any claim against the Trustee, the Agents, the Delegate, the Obligor (to the extent it fulfils all of its obligations under the relevant Transaction Documents to which it is a party) or any of their affiliates or against any of their respective assets (other than the relevant Trust Assets) in respect of such shortfall and any unsatisfied claims of the Certificateholders shall be extinguished. In particular, no Certificateholder will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of the Trustee, the Agents, the Delegate, the Obligor (to the extent it fulfils all of its obligations under the relevant Transaction Documents to which it is a party) or any of their affiliates as a consequence of such shortfall or otherwise.

4.4 **Agreement of Certificateholders**

By purchasing or acquiring the Certificates, each Certificateholder agrees that notwithstanding anything to the contrary contained in these Conditions or in any Transaction Document:

- (a) no payment of any amount whatsoever shall be made by or on behalf of the Trustee or any of its respective agents on its behalf except to the extent funds are available therefor from the relevant Trust Assets and further acknowledges and agrees that no recourse shall be had for the payment of any amount owing hereunder or under any Transaction Document, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon any Transaction Document, against the Trustee to the extent the relevant Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished;
- (b) it will not institute against, or join with any other person in instituting against the Trustee any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law; and
- (c) 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 arising under or in connection with these Conditions and any Transaction Document to which it is a party by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, employee, agent, director or corporate services provider of the Trustee in their capacity as such and any and all personal liability of every such shareholder, officer, employee, agent, director or corporate services provider in their capacity as such for any breaches by the Trustee of any such duty, obligation or undertaking is hereby expressly waived and excluded to the extent permitted by law.

5. NEGATIVE PLEDGE

Pursuant to the Purchase Undertaking, the Obligor has undertaken that, so long as any Certificate remains outstanding, the Obligor shall not, and will ensure that none of its Subsidiaries will create, or have outstanding, any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without: (a) at the same time or prior thereto securing equally and rateably therewith its obligations under the Transaction Documents to which it is a party (in whatever capacity); or (b) providing such other security for those obligations as either: (i) the Delegate (on behalf of the Trustee) shall in its absolute discretion deem not materially less beneficial to the interest of Certificateholders; or (ii) shall be approved by an Extraordinary Resolution of holders of the Certificates.

For the purposes of these Conditions:

"Indebtedness" means any present or future indebtedness of any person for or in respect of any money borrowed (including Shariah-compliant facilities) or raised including (without limitation) any liability arising under or in connection with any sukuk or other securities or any moneys raised under any transaction having the commercial effect of borrowing or raising money;

"Non-recourse Project Financing Indebtedness" means any Indebtedness incurred in connection with any financing of all or part of the costs of the acquisition, construction or development of any project, provided that: (a) any Security Interest given by the Obligor is limited solely to assets of the project; (b) the person providing such financing expressly agrees to limit its recourse to the project financed and the revenues derived from such project as the principal source of repayment for the monies advanced; and (c) there is no other recourse to the Obligor in respect of any default by any person under the financing;

"Relevant Indebtedness" means any Indebtedness other than Permitted Indebtedness which is in the form of, or represented or evidenced by, notes, debentures, financing stock, *sukuk* certificates 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;

"Permitted Indebtedness" means Non-recourse Project Financing Indebtedness and Securitisation Indebtedness;

"Securitisation Indebtedness" means any Indebtedness incurred in connection with any securitisation of existing or future asset and/or revenues, provided that: (a) any Security Interest given by the Obligor or any of its Subsidiaries in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (b) each party participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised; and (c) there is no other recourse to the Obligor or any of its Subsidiaries in respect of any default by any person under the securitisation; and

"Security Interest" means any mortgage, charge, lien or other security interest securing any obligation of any party.

6. THE TRUST

6.1 Trust Assets

Pursuant to the Trust Deed, 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 in respect of that Series. The term "**Trust Assets**" in respect of each Series means the following:

- (a) the cash proceeds of the issue of the Certificates, pending the application thereof in accordance with the terms of the Transaction Documents;
- (b) the interests, rights, title, benefits and entitlements, present and future, in, to and under the Sukuk Portfolio from time to time (excluding any representations given by the Obligor to the Trustee and/or the Delegate under any document constituting the Wakala Portfolio from time to time);
- (c) the interests, rights, title, benefits and entitlements, present and future, in, to and under the Transaction Documents (excluding any representations given by the Obligor to the Trustee and/or the Delegate pursuant to any of the Transaction Documents and the covenant given to the Trustee pursuant to clause 15 of the Master Trust Deed);
- (d) all moneys standing to the credit of the Transaction Account from time to time; and
- (e) all proceeds of the foregoing.

6.2 **Application of Proceeds from the Trust Assets**

Pursuant to the Trust Deed, the Trustee holds the Trust Assets for and on behalf of the holders of the Certificates. On each Periodic Distribution Date, any Dissolution Date or on any earlier date specified for the dissolution of the Trust for each Series, the Principal Paying Agent, notwithstanding any instructions to the contrary from the Trustee, will apply the monies standing to the credit of the Transaction Account in the following order of priority:

- (a) *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;
- (b) *second*, to the extent not previously paid, to pay *pari passu* and rateably: (a) the Trustee in respect of all amounts properly incurred and documented owing to it under the Transaction Documents in its capacity as the issuer and the trustee (other than, for the avoidance of doubt, any amounts owing to it under the Transaction Documents which represent Dissolution Amounts, Periodic Distribution Amounts or any other amounts payable to Certificateholders in respect of the Certificates) and under the Corporate Services Agreement; and (b) the Agents in respect of all amounts owing to them under the Transaction Documents in their capacity as Agents;
- (c) *third*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid;
- (d) *fourth*, only if such payment is made on a Dissolution Date on which Certificates of a Series are to be redeemed in part, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of the relevant Dissolution Amount in redemption of the relevant Certificates to be redeemed;
- (e) *fifth*, only if such payment is made on a Dissolution Date on which Certificates of a Series are to be redeemed in whole, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of the relevant Dissolution Amount; and
- (f) *sixth*, only if such payment is made on a Dissolution Date on which Certificates of a Series are to be redeemed in whole, the excess, if any, to the Obligor in its capacity as Service Agent as an incentive payment under the Service Agency Agreement.

7. **COVENANTS**

The Trustee has covenanted in the Master Trust Deed that, *inter alia*, for so long as any Certificate is outstanding, it shall not (without the prior written consent of the Delegate):

- (a) incur any indebtedness in respect of borrowed money whatsoever, or give any guarantee 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) other than the Certificates issued under the Programme;
- (b) grant or permit to be outstanding 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);
- (c) 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: (i) its title to the Trust Assets or any interest therein except pursuant to any Transaction Document; or (ii) its interests in any of the other Trust Assets except pursuant to any Transaction Document;
- (d) use the proceeds of the issue of the Certificates for any purpose other than as set out in the applicable Final Terms;
- (e) amend or agree to any amendment of any Transaction Document to which it is a party, or its memorandum and articles of association, in a manner which is materially prejudicial to the rights of holders of outstanding Certificates (it being accepted that an increase in the aggregate face amount of the Programme will not be materially prejudicial to such rights) without: (i) the prior approval of the Certificateholders by way of Extraordinary Resolution; and (ii) first notifying the Rating Agencies of the proposed amendments and subsequently providing the Rating Agencies with copies of the relevant executed amended Transaction Documents;
- (f) act as trustee in respect of any trust other than the Trust corresponding to a Series of Certificates issued from time to time pursuant to the Programme;
- (g) have any subsidiaries or employees;
- (h) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
- (i) 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
- (j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or any permitted amendment or supplement thereto or as expressly permitted or required thereunder or engage in any business or activity other than:
 - (i) as provided for or permitted in the Transaction Documents;
 - (ii) the ownership, management and disposal of Trust Assets as provided in the Transaction Documents; and
 - (iii) such other matters which are incidental thereto.

8. FIXED PERIODIC DISTRIBUTION PROVISIONS

8.1 Application

This Condition 8 is applicable to the Certificates only if the "**Fixed Periodic Distribution Provisions**" are specified in the applicable Final Terms as being applicable.

8.2 Periodic Distribution Amount

A Periodic Distribution Amount will be payable in respect of the relevant Certificates out of amounts transferred to the Transaction Account pursuant to the terms of the Service Agency Agreement and the other Transaction Documents and be distributable by the Trustee to the Certificateholders in accordance with these Conditions.

8.3 Determination of Periodic Distribution Amount

Except as provided in the applicable Final Terms, the Periodic Distribution Amount payable in respect of each Certificate for any Return Accumulation Period shall be the Fixed Amount and, if the Certificates are in more than one Specified Denomination, shall be the Fixed Amount in respect of the relevant Specified Denomination. Payments of Periodic Distribution Amounts on any Periodic Distribution Date may, if so specified in the applicable Final Terms, amount to the Broken Amount.

In the case of a Certificate where the Specified Currency is Renminbi and the applicable Final Terms specifies a "**Business Day Convention**" to be applicable (an "**Adjusted Renminbi Fixed Periodic Distribution Certificate**"), each Periodic Distribution Date (and, accordingly, the relevant Return Accumulation Period) will be adjusted (if required) in accordance with the relevant Business Day Convention. For this purpose, the provisions relating to the application of a Business Day Convention set out in Condition 9.2 (*Periodic Distribution Amount*) shall apply to this Condition 8, *mutatis mutandis*, save that, for the purposes of the Conditions relating to an Adjusted Renminbi Fixed Periodic Distribution Certificate, the term "**Business Day**" shall mean a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Hong Kong.

Except in the case of Certificates in definitive form where a Periodic Distribution Amount or Broken Amount is specified in the applicable Final Terms, such Periodic Distribution Amount shall be calculated in respect of any period by applying the Rate to:

- (a) in the case of Certificates which are represented by a Global Certificate, the aggregate outstanding face amount of the Certificates represented by such Global Certificate; or
- (b) in the case of Certificates in definitive form, the Calculation Amount,

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Certificate in definitive form is a multiple of the Calculation Amount, the Periodic Distribution Amount payable in respect of such Certificate shall be the product of the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

In these Conditions, unless specified otherwise:

"**Day Count Fraction**" means, in respect of the calculation of Periodic Distribution Amount in accordance with this Condition 8.3:

- (i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:
 - (1) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Periodic Distribution Date (or, in the case of RMB Certificates if Periodic Distribution Date Adjustment is specified as being applicable in the applicable Final Terms, the relevant payment date or the next

Periodic Distribution Date, as the case may be) (or, if none, the Return Accumulation Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of: (A) the number of days in such Determination Period; and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (2) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of: (x) the number of days in such Determination Period; and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of: (x) the number of days in such Determination Period; and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Periodic Distribution Date (or, if none, the Return Accumulation Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

"Determination Period" means each period from (and including) a Periodic Distribution Determination Date to (but excluding) the next Periodic Distribution Determination Date (including, where either the Return Accumulation Commencement Date or the final Periodic Distribution Date is not a Periodic Distribution Determination Date, the period commencing on the first Periodic Distribution Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

8.4 **Payment in Arrear**

Subject to Condition 8.5 (*Cessation of Profit Entitlement*), Condition 12.2 (*Early Dissolution for Tax Reasons*), Condition 12.3 (*Dissolution at the Option of the Trustee*), Condition 12.4 (*Redemption at the Option of the Certificateholders (Put Right)*), Condition 12.5 (*Redemption at the Option of the Certificateholders (Tangibility Event)*) and Condition 15 (*Dissolution Events*) below, and unless otherwise specified in the applicable Final Terms, each Periodic Distribution Amount will be paid in respect of the relevant Certificates in arrear on each Periodic Distribution Date.

8.5 **Cessation of Profit Entitlement**

No further amounts will be payable on any Certificate from and including the relevant Dissolution Date, unless default is made in the payment of the Dissolution Amount as a result of the failure of the Obligor to pay the relevant Exercise Price and enter into a sale agreement in accordance with the terms of the Trustee's Sale and Purchase Undertaking or the Purchase Undertaking, as the case may be, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition 8 to the earlier of: (a) the Relevant Date; or (b) the date on which a sale agreement is executed in accordance with the terms of the Trustee's Sale and Purchase Undertaking or the Purchase Undertaking, as the case may be, relating to the redemption in full of the relevant Certificates.

9. **FLOATING PERIODIC DISTRIBUTION PROVISIONS**

9.1 **Application**

This Condition 9 is applicable to the Certificates only if the "**Floating Periodic Distribution Provisions**" are specified in the applicable Final Terms as being applicable.

9.2 **Periodic Distribution Amount**

(a) A Periodic Distribution Amount representing a defined share of the profit in respect of the Portfolio for the Certificates will be payable in respect of the Certificates out of amounts transferred to the Transaction Account pursuant to the terms of the Service Agency Agreement and the other Transaction Documents and be distributable by the Trustee to the Certificateholders in accordance with these Conditions. Periodic Distribution Amounts will be payable in arrear on either:

- (i) the Specified Periodic Distribution Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Periodic Distribution Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Periodic Distribution Date, a "**Periodic Distribution Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Return Accumulation Commencement Date.

Such Periodic Distribution Amounts will be payable in respect of each Return Accumulation Period.

(b) If a "**Business Day Convention**" is specified in the applicable Final Terms and: (i) if there is no numerically corresponding day in the calendar month in which a Periodic Distribution Date should occur; or (ii) if any Periodic Distribution Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 9.2(a)(ii), the "**Floating Rate Convention**", such Periodic Distribution Date: (A) in the case of (i) above, shall be the last day that is a Business Day in the relevant month and the provisions of paragraph (2) below shall apply *mutatis mutandis*; or (B) in the case of (ii) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (x) such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day; and (y) each subsequent Periodic Distribution Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Periodic Distribution Date occurred;
- (2) the "**Following Business Day Convention**", such Periodic Distribution Date shall be postponed to the next day which is a Business Day;
- (3) the "**Modified Following Business Day Convention**", such Periodic Distribution Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day; or
- (4) the "**Preceding Business Day Convention**", such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, unless specified otherwise, "**Business Day**" means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are

open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency and any Additional Business Centre specified in the applicable Final Terms; and

- (b) (i) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively); (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open; or (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong.

9.3 **Screen Rate Determination**

If "**Screen Rate Determination**" is specified in the applicable Final Terms as the manner in which the Rate is to be determined, the Rate applicable to the Certificates for each Return Accumulation Period will be determined by the Calculation Agent on the following basis:

- (a) if the Reference Rate specified in the applicable Final Terms is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;
- (b) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;
- (c) if, in the case of paragraph (a) above, such rate does not appear on that page or, in the case of paragraph (b) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Rate applicable to the Certificates during such Return Accumulation Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Certificates in respect of a preceding Return Accumulation Period.

9.4 **ISDA Determination**

If "**ISDA Determination**" is specified in the applicable Final Terms as the manner in which the Rate is to be determined, the Rate applicable to the Certificates for each Return Accumulation Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Return Accumulation Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction if the Calculation Agent were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:
 - (i) the Floating Rate Option is as specified in the applicable Final Terms;
 - (ii) the Designated Maturity, if applicable, is a period specified in the applicable Final Terms; and
- (b) the relevant Reset Date (as defined in the ISDA Definitions) is either: (i) if the relevant Floating Rate Option is based on EURIBOR for a currency, the first day of that Return Accumulation Period; or (ii) unless otherwise specified in the applicable Final Terms, has the meaning given to it in the ISDA Definitions.

Unless otherwise defined capitalised terms used in this Condition 9.4 shall have the meaning ascribed to them in the ISDA Definitions.

The definition of Fallback Observation Day in the ISDA Definitions shall be deemed to be deleted in its entirety and replaced with the following:

"Fallback Observation Day" means, in respect of a Reset Date and the Calculation Period (or any Compounding Period included in that Calculation Period) to which that Reset Date relates, unless otherwise agreed, the day that is five Business Days preceding the related Payment Date.

For the purposes of the above, **"Calculation Period"** and **"Compounding Period"** have the meanings given to them in the ISDA Definitions.

9.5 **Cessation of Profit Entitlement**

No further amounts will be payable on any Certificate from and including the relevant Dissolution Date, unless default is made in the payment of the Dissolution Amount as a result of the failure of the Obligor to pay the relevant Exercise Price and enter into a sale agreement in accordance with the terms of the Trustee's Sale and Purchase Undertaking or the Purchase Undertaking, as the case may be, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in this Condition 9 to the earlier of: (a) the Relevant Date; or (b) the date on which a sale agreement is executed in accordance with the terms of the Trustee's Sale and Purchase Undertaking or the Purchase Undertaking, as the case may be, relating to the redemption in full of the relevant Certificates.

9.6 **Calculation of Periodic Distribution Amount**

The Calculation Agent will, as soon as practicable after the time at which the Rate is to be determined in relation to each Return Accumulation Period, calculate the Periodic Distribution Amount payable in respect of each Certificate for such Return Accumulation Period. The Periodic Distribution Amount will be calculated by applying the Rate applicable to the relevant Return Accumulation Period to:

- (a) in the case of Certificates which are represented by a Global Certificate, the aggregate outstanding face amount of the Certificates represented by such Global Certificate; or
- (b) in the case of Certificates in definitive form, the Calculation Amount,

and, in each case, multiplying the product by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Certificate in definitive form is a multiple of the Calculation Amount, the Periodic Distribution Amount payable in respect of such Certificate shall be the product of the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"Day Count Fraction" means, in respect of the calculation of a Periodic Distribution Amount in accordance with this Condition 9:

- (i) if **"Actual/Actual (ISDA)"** is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 (or, if any portion of that Return Accumulation Period falls in a leap year, the sum of: (1) the actual number of days in that portion of the Return Accumulation Period falling in a leap year divided by 366; and (2) the actual number of days in that portion of the Return Accumulation Period falling in a non-leap year divided by 365);
- (ii) if **"Actual/365 (Fixed)"** is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365;
- (iii) if **"Actual/365 (Sterling)"** is specified in the applicable Final Terms, the actual number of days in the Return Accumulation 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 in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 360;

- (v) if "**30/360**" "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Return Accumulation 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 Return Accumulation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number is 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 Return Accumulation 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 in the applicable Final Terms, the number of days in the Return Accumulation 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 Return Accumulation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Return Accumulation 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 Return Accumulation Period, unless such number would be 31, in which case **D₂** will be 30;

- (vii) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Return Accumulation 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 Return Accumulation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Return Accumulation 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 Return Accumulation 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.

9.7 **Benchmark Replacement**

Notwithstanding the other provisions above in this Condition 9, if the Trustee or the Obligor determine that a Benchmark Event has occurred in relation to the relevant Reference Rate specified in the applicable Final Terms when any Rate (or the relevant component part thereof) applicable to the Certificates for any Return Accumulation Period remains to be determined by such Reference Rate, then the following provisions shall apply:

- (a) the Trustee and the Obligor shall use reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate and/or, in either case, an Adjustment Spread no later than five Business Days prior to the relevant Periodic Distribution Determination Date relating to the next succeeding Return Accumulation Period (the "**Periodic Distribution Determination Cut-off Date**") for the purposes of determining the Rate applicable to the Certificates for all future Return Accumulation Periods (subject to the operation of this Condition 9.7);
- (b) if: (i) the Trustee and/or the Obligor are unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by the Trustee or the Obligor fails to determine a Successor Rate or, failing which, an Alternative Reference Rate, and/or (in either case) the applicable Adjustment Spread, prior to the Periodic Distribution Determination Cut-off Date in accordance with paragraph (a) above, then the Obligor (acting in good faith and in a commercially reasonable manner) may determine the Successor Rate or, if the Obligor determines that there is no Successor Rate, an Alternative Reference Rate and/or (in either case) an Adjustment Spread for the purposes of determining the Rate applicable to the Certificates for all future Return Accumulation Periods (subject to the operation of this Condition 9.7), provided that, if this paragraph (b) applies and the Obligor has failed to determine a Successor Rate or an Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread prior to the Periodic Distribution Determination Date relating to the next succeeding Return Accumulation Period in accordance with this paragraph (b), the Rate applicable to such Return Accumulation Period shall be equal to the Rate last determined in relation to the Certificates in respect of the immediately preceding Return Accumulation Period (though substituting, where a different Margin is to be applied to the relevant Return Accumulation Period from that which applied to the last preceding Return Accumulation Period for which the Rate was determined, the Margin relating to the relevant Return Accumulation Period, in place of the Margin relating to that last preceding Return Accumulation Period).

For the avoidance of doubt, if this paragraph (b) applies and the Obligor has failed to determine a Successor Rate or an Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread, prior to the Periodic Distribution Determination Date relating to the next succeeding Return Accumulation Period in accordance with this paragraph (b), this paragraph (b) shall apply to the relevant next succeeding Return

Accumulation Period only and any subsequent Return Accumulation Periods are subject to the operation of this Condition 9.7 in its entirety;

- (c) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate for all future Return Accumulation Periods (subject to the operation of this Condition 9.7 in its entirety including in the event of a further Benchmark Event affecting the Successor Rate or the Alternative Reference Rate);
- (d) the Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be);
- (e) if the Independent Adviser or the Obligor (as the case may be) determines a Successor Rate or an Alternative Reference Rate and, in each case, the applicable Adjustment Spread, in accordance with the above provisions, the Independent Adviser (in consultation with the Trustee and the Obligor) or the Obligor (acting in good faith and in a commercially reasonable manner) may also specify changes to these Conditions (including, without limitation, changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Day, Periodic Distribution Determination Date, Periodic Distribution Dates and/or the definition of Reference Rate or Adjustment Spread applicable to the Certificates (and in each case, related provisions and definitions), and the method for determining the fallback rate in relation to the Certificates) in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread (as applicable) (such amendments, the "**Benchmark Amendments**"), and the Trustee and the Obligor shall, subject to giving notice thereof in accordance with Condition 9.7(g), without any requirement for the consent or approval of the Certificateholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice and such Benchmark Amendments shall apply to the Certificates for all future Return Accumulation Periods (subject to the operation of this Condition 9.7 in its entirety) provided that no such Benchmark Amendments shall impose more onerous obligations on the Agents or the Delegate or expose any of them to any additional duties or liabilities, or decrease its rights and protections, unless the relevant Agent or the Delegate consents;
- (f) any Independent Adviser appointed pursuant to this Condition 9.7 shall act in good faith and subject as aforesaid (in the absence of gross negligence, fraud or wilful misconduct) shall have no liability whatsoever to the Trustee, the Obligor, the Principal Paying Agent or Certificateholders for any determination made by it or for any advice given to the Trustee and/or the Obligor in connection with any determination made by the Obligor pursuant to this Condition 9.7. No Certificateholder consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate (as applicable), any Adjustment Spread or such other changes pursuant to paragraph (e) above, including for the execution of any documents, amendments or other steps by the Trustee, the Obligor, the Delegate or the Principal Paying Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Rate and Periodic Distribution Amounts) (if required);
- (g) the Trustee and the Obligor shall, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread, give notice of the occurrence of the Benchmark Event, the determination of the Successor Rate, Alternative Reference Rate or Adjustment Spread and of any Benchmark Amendments pursuant to paragraph (e) above to the Principal Paying Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Rate and Periodic Distribution Amounts) and the Delegate at least 5 Business Days prior to the relevant Periodic Distribution Determination Date (and the Principal Paying Agent and the Delegate shall be entitled to rely upon such notice without further investigation). The Trustee and the Obligor shall give notice to the Certificateholders in accordance with Condition 18 (*Notices*) promptly thereafter; and

- (h) notwithstanding any other provision of this Condition 9.7 if in the Principal Paying Agent's opinion (or the opinion of such other person specified in the applicable Final Terms as the party responsible for calculating the Rate and Periodic Distribution Amount) there is any uncertainty between two or more alternative courses of action in making any determination or calculation pursuant to this Condition 9.7, the Principal Paying Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Rate and Periodic Distribution Amounts) shall promptly notify the Obligor thereof and the Obligor (acting in good faith and in a commercially reasonable manner) shall direct such party in writing as to which alternative course of action to adopt. If the Principal Paying Agent (or such other person specified in the applicable Final Terms as the party responsible for calculating the Rate and Periodic Distribution Amounts) is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Obligor thereof and (other than due to its own wilful default, gross negligence or bad faith) such party shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

Neither the Delegate nor any Agent is responsible for making any determination that any Benchmark Event has occurred or is likely to occur and is not obliged to monitor whether any such event has occurred or is likely to occur.

For the purposes of this Condition 9.7:

"Adjustment Spread" means either: (i) a spread (which may be positive, negative or zero); or (ii) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (1) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the relevant Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (2) (if no such recommendation has been made or in the case of an Alternative Reference Rate) the Independent Adviser (in consultation with the Obligor) or the Obligor (acting in good faith and in a commercially reasonable manner) (as applicable) determines is customarily applied to the relevant Successor Rate or Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the relevant Reference Rate;
- (3) (if no such determination has been made) the Independent Adviser (in consultation with the Obligor) or the Obligor (acting in good faith and in a commercially reasonable manner) (as applicable) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as the case may be); or
- (4) (if the Independent Adviser (in consultation with the Obligor) or the Obligor (acting in good faith and in a commercially reasonable manner) (as applicable) determines that no such industry standard is recognised or acknowledged) the Independent Adviser (in consultation with the Obligor) or the Obligor in its discretion (acting in good faith and in a commercially reasonable manner) (as applicable), determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Certificateholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as the case may be);

"Alternative Reference Rate" means an alternative benchmark or screen rate that the Independent Adviser (in consultation with the Obligor) or the Obligor (as applicable) determines (acting in good faith and in a commercially reasonable manner) is customarily applied in international debt capital markets transactions for the purposes of determining floating Rates (or the relevant component thereof) for a commensurate period and in respect of Certificates denominated in the Specified Currency and of a comparable duration to the relevant Return Accumulation Period or, if the

Independent Adviser (in consultation with the Obligor) or the Obligor determines (acting in good faith and in a commercially reasonable manner) that there is no such rate, such other rate as the Independent Adviser (in consultation with the Obligor) or the Obligor (as applicable) determines (acting in good faith and in a commercially reasonable manner) in its discretion is most comparable to the relevant Reference Rate;

"Benchmark Event" means:

- (i) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered;
- (ii) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**");
- (iii) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the "**Specified Future Date**") be permanently or indefinitely discontinued;
- (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Certificates;
- (v) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor: (1) such Reference Rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market; or (2) the methodology to calculate such Reference Rate has materially changed;
- (vi) it has or will, by a specified date within the following six months, become unlawful for the Principal Paying Agent or the Obligor to calculate any payments due to be made to any Certificateholder using the relevant Reference Rate (as applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii), (iv) or (v) above and the relevant Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date;

"Financial Stability Board" means the organisation established by the Group of Twenty (G20) in April 2009;

"Independent Adviser" means an independent financial institution of international repute or an independent financial adviser experienced in the international capital markets, in each case appointed by the Obligor at its own expense under Condition 9.7;

"Relevant Nominating Body" means, in respect of a Reference Rate:

- (i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:
 - (1) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate relates;

- (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate;
- (3) a group of the aforementioned central banks or other supervisory authorities;
- (4) the International Swaps and Derivatives Association, Inc. or any part thereof; or
- (5) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means the reference rate (and related alternative screen page or source, if available) that is formally recommended by any Relevant Nominating Body as a successor to or replacement of the relevant Reference Rate.

9.8 **Linear Interpolation**

If "**Linear Interpolation**" is specified as applicable in respect of a Return Accumulation Period in the applicable Final Terms, the Rate for such Return Accumulation Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Return Accumulation Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Return Accumulation Period, provided that, if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall calculate such rate at such time and by reference to such sources as the Obligor, in consultation with an Independent Adviser appointed by the Trustee and the Obligor, and such Independent Adviser acting in good faith and in a commercially reasonable manner, determines to be appropriate.

9.9 **Calculation of Other Amounts**

If the applicable Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the applicable Final Terms.

9.10 **Publication**

The Calculation Agent will cause each Rate and Periodic Distribution Amount determined by it, together with the relevant Periodic Distribution Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Certificates have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate, Periodic Distribution Amount and Periodic Distribution Date) in any event not later than the first day of the relevant Return Accumulation Period. Notice thereof shall also promptly be given to the Certificateholders. The Calculation Agent will be entitled to recalculate any Periodic Distribution Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Return Accumulation Period.

9.11 **Notifications, etc. to be Final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 9, whether by the Principal Paying Agent or, if applicable, the Calculation Agent will (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Trustee, the Delegate, the Principal Paying Agent and all Certificateholders and (in the absence as referred to above) no liability to the Trustee, the Delegate, the Obligor the Principal Paying Agent or the Certificateholders shall attach to the Calculation Agent or the Principal Paying Agent (as applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

10. PAYMENT

10.1 Payments in respect of Certificates

Subject to Condition 8 (*Fixed Periodic Distribution Provisions*) and Condition 9 (*Floating Periodic Distribution Provisions*), payment of the relevant Dissolution Amounts and each Periodic Distribution Amount will be made by the relevant Paying Agent in the Specified Currency, by wire transfer in same day funds to the registered account of each Certificateholder. Payments of the relevant Dissolution Amount will only be made against surrender of the relevant Individual Certificate at the specified office of the Registrar or the Principal Paying Agent. Payments of the relevant Dissolution Amount and each Periodic Distribution Amount in respect of the relevant Global Certificate will be paid to the holder shown on the Register at the close of business on the relevant Record Date.

For the purposes of this Condition 10.1, a Certificateholder's "**registered account**" means the account denominated in the Specified Currency maintained by or on behalf of such Certificateholder with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date.

10.2 Payments Subject to Applicable Laws

All payments will be made subject in all cases to: (a) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions described in Condition 13 (*Taxation*); and (b) 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, official interpretations thereof, or (without prejudice to the provisions of Condition 13 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Certificateholders in respect of such payments.

10.3 Payment Day

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated or, in the case of a payment of the relevant Dissolution Amount, if later, on the Payment Business Day on which the relevant Individual Certificate is surrendered at the specified office of the Registrar or the Principal Paying Agent.

Unless otherwise specified in the applicable Final Terms, Certificateholders will not be entitled to any additional Periodic Distribution Amount, Dissolution Amount or any other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Certificateholder is late in surrendering its Individual Certificate (if required to do so).

If the amount of any Dissolution Amount or Periodic Distribution Amount is not paid in full when due, the Registrar will annotate the Register with a record of the amount of such Dissolution Amount or Periodic Distribution Amount actually paid.

10.4 RMB Account

All payments in respect of any Certificate denominated in RMB will be made solely by credit to a registered RMB account maintained by or on behalf of the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of RMB in Hong Kong).

10.5 RMB Currency Event

- (a) If the Specified Currency of the Certificates is RMB and an RMB Currency Event, as determined by the Obligor or the Trustee acting in good faith, exists on a date for payment of any Periodic Distribution Amount or Dissolution Amount (in whole or in part) in respect of any Certificates, the Obligor's obligation under the relevant Transaction Document, and the Trustee's corresponding obligation under the terms of the Certificates,

to make a payment in RMB may be replaced by an obligation to pay such amount (in whole or in part) in the Relevant Currency and converted using the Spot Rate for the relevant Determination Date as promptly notified to the Trustee and Paying Agents.

- (b) Upon the occurrence of an RMB Currency Event, the Trustee shall give notice as soon as practicable to the Certificateholders in accordance with Condition 18 (*Notices*) stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.
- (c) In such event, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, a bank in New York City; and "**Payment Day**" shall mean any day which (subject to Condition 14 (*Prescription*)) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (i) in the case of Certificates in definitive form only, the relevant place of presentation; and (ii) London and New York City.

For the purpose of this Condition 10:

"Determination Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and New York City;

"Determination Date" means the day which is two Determination Business Days before the due date of the relevant payment under the Certificates, other than where the Obligor or Trustee properly determines that a RMB Currency Event has occurred at any time during the period from and including 10:01 a.m. (Hong Kong time) on the second Determination Business Day preceding the original due date to and including 11:59 p.m. (Hong Kong time) on the original due date, in which case the "**Determination Date**" will be the Determination Business Day immediately following the date on which the determination of the occurrence of a RMB Currency Event has been made;

"Governmental Authority" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"Relevant Currency" means United States dollars;

"RMB" or **"Renminbi"** means the lawful currency of the People's Republic of China;

"RMB Currency Events" means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

"RMB Illiquidity" means the general RMB exchange market in Hong Kong becomes illiquid as a result of which the Obligor cannot obtain sufficient RMB in order to satisfy its obligation to pay the relevant amount under the relevant Transaction Document to fund the Periodic Distribution Amount or Dissolution Amount (in whole or in part) in respect of any Certificates, as determined by the Obligor acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in Hong Kong;

"RMB Inconvertibility" means the occurrence of any event that makes it impossible for the Obligor or Trustee to convert any amount due in respect of the Certificates into RMB on any payment date in the general RMB exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Obligor or the Trustee (as applicable) to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Trustee, due to an event beyond its control, to comply with such law, rule or regulation);

"RMB Non-Transferability" means the occurrence of any event that makes it impossible for the Obligor or the Trustee (as applicable) to deliver RMB between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Obligor or the Trustee (as applicable) to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Series and it is impossible for the Obligor or the Trustee (as applicable), due to an event beyond its control, to comply with such law, rule or regulation); and

"Spot Rate" means the spot CNY/U.S.\$ exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 10 by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Obligor, the Trustee, the Agents and all relevant Certificateholders.

11. AGENTS

11.1 Agents of Trustee

In acting under the Agency Agreement and in connection with the Certificates, the Agents act solely as agents of the Trustee and (to the extent provided therein) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders.

11.2 Specified Offices

The names of the initial Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents, provided that:

- (a) there will at all times be a Principal Paying Agent;
- (b) there will at all times be a Registrar;
- (c) so long as any Certificates are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent and a Transfer Agent having its specified office in such place (if any) as may be required by the rules of such listing authority, stock exchange and/or quotation system;
- (d) there will at all times be a Paying Agent having its specified office in Europe; and
- (e) there will at all times be a Calculation Agent.

Notice of any variation, termination or appointment and of any changes in specified offices will be given to the Certificateholders promptly by the Trustee in accordance with Condition 18 (*Notices*).

12. CAPITAL DISTRIBUTIONS OF TRUST

12.1 Scheduled Dissolution

Unless the Certificates are previously redeemed or purchased and cancelled, the Trustee will redeem the Certificates on the Maturity Date at the relevant Final Dissolution Amount together with any Periodic Distribution Amounts payable thereunder. Upon payment in full of such amounts and the termination of the Trust, 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.

12.2 Early Dissolution for Tax Reasons

The Trust may be dissolved at the option of the Trustee (with the prior written consent of the Obligor) and in such case the Certificates will be redeemed by the Trustee in whole, but not in part:

- (a) at any time (if the Floating Periodic Distribution Provisions are not specified in the applicable Final Terms as being applicable); or
- (b) on any Periodic Distribution Date (if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable),

(such redemption date being the "**Early Tax Dissolution Date**"), on giving not less than the Minimum Notice Period nor more than the Maximum Notice Period notice to the Certificateholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable), at their Early Dissolution Amount (Tax), together with Periodic Distribution Amounts accrued (if any) to the Early Tax Dissolution Date, if:

- (i) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any 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 (including a holding by a court of competent jurisdiction or, by any authority in or of a Relevant Jurisdiction having a power to tax), which change or amendment becomes effective on or after the Issue Date and such obligation cannot be avoided by the Trustee taking reasonable measures available to it;
- (ii) the Obligor has or will become obliged to pay additional amounts pursuant to the terms of any of the Transaction Documents as a result of any 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 (including a holding by a court of competent jurisdiction or, by any authority in or of a Relevant Jurisdiction having a power to tax), which change or amendment becomes effective on or after the Issue Date and such obligation cannot be avoided by the Obligor taking reasonable measures available to it,

(together, a "**Tax Event**"), provided that no such notice of dissolution shall be given earlier than:

- (1) where the Trust may be dissolved at any time, 90 days prior to the earliest date on which: (A) the Trustee would be obliged to pay such additional amounts if a payment in respect of the Certificates were then due; or (B) the Obligor would be obliged to pay such additional amounts if a payment under the Transaction Documents were then due; or
- (2) where the Trust may be dissolved only on a Periodic Distribution Date, 60 days prior to the Periodic Distribution Date occurring immediately before the earliest date on which: (A) the Trustee would be obliged to pay such additional amounts if a payment in respect of the Certificates were then due; or (B) the Obligor would be obliged to pay such additional amounts if a payment under the Transaction Documents were then due.

Prior to the publication of any notice of dissolution pursuant to this paragraph, the Trustee or the Obligor (as the case may be) shall deliver to the Principal Paying Agent: (x) a certificate signed by a director acting on behalf of the Trustee or an authorised signatory of the Obligor (as the case may be), which shall be binding on the Certificateholders, stating that the Trustee is entitled to effect such dissolution and setting forth a statement of facts showing that the conditions precedent in

paragraph (i) or paragraph (ii) above (as applicable) to the right of the Trustee so to dissolve have occurred; and (y) an opinion of independent legal 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 such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 12.2, the Trustee shall be bound to dissolve the Trust in accordance with this Condition 12.2 and the Trustee shall be bound to redeem the Certificates. Upon such dissolution and redemption, 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.

12.3 **Dissolution at the Option of the Trustee**

If the "**Optional Dissolution (Call) Right**" is specified in the applicable Final Terms as being applicable, the Obligor may in its sole discretion deliver to the Trustee a duly completed Exercise Notice in accordance with the provisions of the Trustee's Sale and Purchase Undertaking and, on receipt of such notice, the Trustee shall, on giving not less than the Minimum Notice Period nor more than the Maximum Notice Period irrevocable notice to the Certificateholders in accordance with Condition 18 (*Notices*) redeem all or, if so specified in the relevant Exercise Notice, some only of the Certificates on the Optional Dissolution Date (which will also be specified in the relevant Exercise Notice) at the Optional Dissolution Amount (Call), together with Periodic Distribution Amounts accrued (if any) to the Optional Dissolution Date.

The Optional Dissolution (Call) Right and the Optional Redemption (Investor Put) Right shall not both be specified as applicable in the applicable Final Terms in respect of any single Series of Certificates.

12.4 **Redemption at the Option of the Certificateholders (Put Right)**

If the "**Optional Redemption (Investor Put) Right**" is specified in the applicable Final Terms as being applicable, upon the holder of any Certificate giving to the Trustee not less than the Minimum Notice Period nor more than the Maximum Notice Period notice the Trustee will, upon the expiry of such notice, subject to, and in accordance with this Condition 12.4, redeem such Certificate on the relevant Optional Redemption Date at the Optional Redemption Amount. The Optional Redemption Amount shall be paid on the relevant Optional Redemption Date together with the Periodic Distribution Amounts on such Certificate accrued to (but excluding) the relevant Optional Redemption Date. If all (and not some only) of the Certificates are to be redeemed on any Optional Redemption Date in accordance with this Condition 12.4, upon payment in full of such amounts to all Certificateholders and execution of a sale agreement pursuant to the Purchase Undertaking, the Trustee shall be bound to dissolve the Trust.

To exercise its Optional Redemption (Investor Put) Right to require the redemption of the Certificates under this Condition 12.4, a Certificateholder must, where a Certificate is an Individual Certificate, deliver, at the specified office of any Paying Agent at any time during the normal business hours of such Paying Agent, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (an "**Individual Certificate Put Notice**") and in which the Certificateholder must specify a bank account to which payment is to be made under this Condition 12.4 and the face amount of the Certificate to be redeemed and, if less than the full face amount of the Certificate is to be redeemed, an address to which a new Individual Certificate in respect of the balance of such Certificate is to be sent subject to and in accordance with the Conditions in each case accompanied by the Certificate or evidence satisfactory to the Paying Agent concerned that the Certificate will, following delivery of the Individual Certificate Put Notice, be held to its order or under its control.

If a Certificate is represented by a Global Certificate or is an Individual Certificate and held through Euroclear or Clearstream, Luxembourg, then to exercise the Optional Redemption (Investor Put) Right to require redemption of such Certificate the holder of such Certificate must, within the notice period, give notice to the Principal Paying Agent of such exercise (including the face amount of the Certificates in respect of which such right is exercised) in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instructions by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream,

Luxembourg from time to time (a "**Global Certificate Put Notice**", with each Individual Certificate Put Notice and Global Certificate Put Notice being a "**Put Notice**") and, if a Certificate is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to the Principal Paying Agent for notation accordingly.

All notices to be given by any Certificateholder to the Trustee under this Condition 12.4 must be given in accordance with Condition 18 (*Notices*). Any Put Notice given by a Certificateholder pursuant to this Condition 12.4 shall be irrevocable and the Trustee will redeem all Certificates which are the subject of a validly delivered Put Notice on the relevant Optional Redemption Date.

The Optional Dissolution (Call) Right and the Optional Redemption (Investor Put) Right shall not both be specified as applicable in the applicable Final Terms in respect of any single Series of Certificates.

12.5 **Redemption at the Option of the Certificateholders (Tangibility Event)**

If a Tangibility Event occurs, upon receipt of a Tangibility Event Notice from the Obligor in accordance with the Service Agency Agreement, the Trustee shall promptly give notice to the Certificateholders and the Delegate (a "**Delisting Notice**") in accordance with Condition 18 (*Notices*) specifying that:

- (a) a Tangibility Event has occurred, together with an explanation of the reasons for, and evidence of, such occurrence;
- (b) as determined in consultation with the Emirates Islamic Internal Shariah Supervision Committee, the Certificates shall be tradable only in accordance with the Shariah principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis);
- (c) on the date falling 15 days following the Tangibility Event Redemption Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates have been admitted to listing or if such date is not a business day, the next following business day ("business day" being, for this purpose, a day on which the stock exchange on which the Certificates are admitted to listing is open for business; and
- (d) the Tangibility Event Put Right Period, during which period any Certificateholder shall have the option to require the redemption of all or any of its Certificates.

Upon receipt of the Delisting Notice, any Certificateholder may exercise its option within the Tangibility Event Put Right Period to require the redemption of all or any of its Certificates.

If any Certificateholder exercises its right to redeem its Certificates in accordance with this Condition 12.5, the Trustee shall redeem such Certificates on the Tangibility Event Redemption Date at the Tangibility Event Redemption Amount together with the Periodic Distribution Amounts on such Certificate due to (but excluding) the relevant Tangibility Event Redemption Date. If all (and not some only) of the Certificates are to be redeemed on any Tangibility Event Redemption Date in accordance with this Condition 12.5, upon payment in full of such amounts to all Certificateholders and execution of a sale agreement pursuant to the Purchase Undertaking, the Trustee shall be bound to dissolve the Trust.

To exercise its "**Optional Redemption (Tangibility Event) Right**" to require the redemption of the Certificates under this Condition 12.5, a Certificateholder must (where a Certificate is an Individual Certificate) within the Tangibility Event Put Right Period, deliver, at the specified office of any Paying Agent at any time during the normal business hours of such Paying Agent, a duly completed and signed Individual Certificate Put Notice and in which the Certificateholder must specify a bank account to which payment is to be made under this Condition 12.5 and the face amount of the Certificate to be redeemed and, if less than the full face amount of the Certificate is to be redeemed, an address to which a new Individual Certificate in respect of the balance of such Certificate is to be sent subject to and in accordance with the Conditions, in each case, accompanied by the Certificate or evidence satisfactory to the Paying Agent concerned that the Certificate will, following delivery of the Individual Certificate Put Notice, be held to its order or under its control

(such notice by a Certificateholder being a "**Tangibility Event Put Notice**" for the purposes of this Condition 12.5).

If a Certificate is represented by a Global Certificate or is an Individual Certificate and held through Euroclear or Clearstream, Luxembourg, then to exercise the Optional Redemption (Tangibility Event) Right to require redemption of such Certificate the holder of such Certificate must, within the Tangibility Event Put Right Period, deliver a Global Certificate Put Notice to the Principal Paying Agent of such exercise (including the face amount of the Certificates in respect of which such right is exercised) in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instructions by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) and, if a Certificate is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to the Principal Paying Agent for notation accordingly (such notice by a Certificateholder being a "**Tangibility Event Put Notice**" for the purposes of this Condition 12.5).

All notices to be given by any Certificateholder to the Trustee under this Condition 12.5 must be given in accordance with Condition 18 (*Notices*). Any Tangibility Event Put Notice given by a Certificateholder pursuant to this Condition 12.5 shall be irrevocable and the Trustee will redeem all Certificates which are the subject of a validly delivered Put Notice on the relevant Tangibility Event Redemption Date.

12.6 **Dissolution upon a Clean Up (Call) Right**

If 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to this Condition 12 the Trustee shall, upon receipt of a duly completed Exercise Notice from the Obligor pursuant to the Trustee's Sale and Purchase Undertaking, on giving not less than the Minimum Notice Period nor more than the Maximum Notice Period to the Delegate and the Certificateholders in accordance with Condition 18 (*Notices*) and to the Delegate, redeem the Certificates in whole, but not in part, at their Clean Up (Call) Amount on the date specified in such notice (such notice shall be irrevocable and shall oblige the Trustee to redeem the Certificates on such date (the "**Clean Up (Call) Dissolution Date**")) (the "**Clean Up (Call) Right**").

12.7 **Dissolution following a Dissolution Event**

Upon the occurrence of a Dissolution Event which is continuing, the Certificates may, following the delivery of an exercise notice pursuant to the Purchase Undertaking, be redeemed at the relevant Final Dissolution Amount together with any Periodic Distribution Amounts payable on the Dissolution Event Redemption Date, if the conditions set out in Condition 15 (*Dissolution Events*) are satisfied, and the Trust will be dissolved by the Trustee.

12.8 **No Other Dissolution**

Neither the Trustee nor any Certificateholders shall be entitled to redeem the Certificates at its option otherwise than as provided in this Condition 12 and subject to Condition 4.3 (*Limited Recourse*).

The Trustee shall not be entitled to redeem the Certificates or dissolve the Trust other than in accordance with this Condition 12 and Condition 15 (*Dissolution Events*).

12.9 **Purchase and Cancellation**

(a) ***Purchases***

The Obligor or any of its Subsidiaries may at any time purchase Certificates at any price in the open market or otherwise.

(b) ***Cancellation of Certificates held by the Obligor and/or any of its Subsidiaries***

Following any purchase of Certificates by or on behalf of the Obligor or any of its Subsidiaries pursuant to this Condition 12.9, against cancellation of such Certificates pursuant to Condition 12.10 (*Cancellation*):

- (i) the Trustee's Sale and Purchase Undertaking may be exercised by the Obligor in respect of the transfer to the Obligor of the relevant portion of the Wakala Portfolio with an aggregate Value not greater than the aggregate face amount of the proportion of Certificates purchased (the "**Cancellation Proportion**"); and
- (ii) the Cancellation Proportion of the outstanding the Deferred Sale Price (as determined on the relevant date on which such Certificates are to be cancelled, immediately prior to the redemption and cancellation of such Certificates) shall be deemed to be cancelled with effect from the relevant cancellation date.

12.10 **Cancellation**

All Certificates which are redeemed, and all Certificates purchased by or on behalf of the Obligor or any of its Subsidiaries and delivered by the Obligor to the Trustee pursuant to the Trustee's Sale and Purchase Undertaking for cancellation, will be delivered by the Trustee to the Principal Paying Agent for cancellation and will forthwith be cancelled and accordingly such Certificates may not be held, reissued or resold.

12.11 **Effect of Payment in Full of Dissolution Amount**

Upon payment in full of the relevant Dissolution Amount in respect of the Certificates of any Series together with any Periodic Distribution Amount accrued but unpaid and the dissolution of the Trust in accordance with this Condition 12, such Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect of such Certificates and the Trustee shall have no further obligations in respect thereof.

13. **TAXATION**

All payments in respect of the Certificates shall be made without withholding or deduction for, or on account of, any Taxes, unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay to the Certificateholders additional amounts as shall be necessary in order that the net amounts received by the Certificateholders after such withholding or deduction shall equal the respective amounts due and payable to any Certificateholder which would have otherwise been receivable in the absence of such withholding or deduction, except that no such additional amount shall be payable to any Certificateholder:

- (a) who is liable for such Taxes in respect of such Certificate by reason of having some connection with any Relevant Jurisdiction other than the mere holding of such Certificate; or
- (b) where (in the case of the payment of face amounts or Periodic Distribution Amounts on dissolution) the relevant Individual Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Certificateholder would have been entitled to such additional amount if it had surrendered the relevant Individual Certificate on the last day of such period of 30 days.

The Transaction Documents provide that all payments thereunder by the Obligor shall be made without any deduction or withholding for, or on account of, any present or future Taxes imposed by the Relevant Jurisdictions unless required by law and without set-off or counterclaim of any kind, and, if there is any such deduction or withholding, the Obligor shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no withholding or deduction had been made.

14. **PRESCRIPTION**

Claims for payment in respect of the Certificates will become void unless made within a period of 10 years (in the case of Dissolution Amounts) and five years (in the case of Periodic Distribution Amounts) after the Relevant Date thereof.

15. **DISSOLUTION EVENTS**

If any of the following events occurs and is continuing (each, a "**Dissolution Event**"):

- (a) default is made in the payment of any Dissolution Amount on the date fixed for payment thereof and such default continues for a period of 14 days, or default is made in the payment of any Periodic Distribution Amount on the due date for payment thereof and such default continues for a period of seven Business Days; or
- (b) the Trustee fails to perform or comply with any of the obligations expressed to be assumed by it in the Transaction Documents to which it is a party and such default is not capable of remedy (in the opinion of the Delegate) or if capable of remedy (in the opinion of the Delegate) is not remedied within 30 days after written notice is given by the Delegate to the Trustee; or
- (c) an Obligor Event; or
- (d) the Trustee repudiates any Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document to which it is a party; or
- (e) at any time it is or will become unlawful for the Trustee (by way of insolvency or otherwise) to perform or comply with any of its obligations under the Transaction Documents or any of the obligations of the Trustee under the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or
- (f) either: (i) the Trustee becomes insolvent or is unable to pay its debts as they fall due; or (ii) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made); or (iii) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it; or (iv) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (g) an order or decree is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Trustee; or
- (h) any event occurs which under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraph (f) and paragraph (g) above,

then the Delegate may (subject to it being indemnified and/or secured and/or prefunded to its satisfaction) or shall, if it has been notified of the occurrence of a Dissolution Event by the Trustee or the Obligor, give notice in writing of the occurrence of such Dissolution Event to the Certificateholders in accordance with Condition 18 (*Notices*) with a request to such holders to indicate if they wish the Trust to be dissolved. If so requested in writing by Certificateholders representing at least one-fifth in face amount of the Certificates for the time being outstanding, the Delegate shall (subject to it being indemnified and/or secured and/or prefunded to its satisfaction), by written notice addressed to the Trustee and the Obligor (a "**Dissolution Notice**"), declare the Certificates to be immediately due and payable, whereupon they shall become immediately due and payable at their Final Dissolution Amount together with accrued but unpaid Periodic Distribution Amounts (if any) on the date specified in such notice (the "**Dissolution Event Redemption Date**"). Notice of a Dissolution Notice shall promptly be given to the Certificateholders in accordance with Condition 18 (*Notices*). Upon payment in full of such amounts, 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.

For the purpose of paragraph (a) above, amounts shall be considered due in respect of the Certificates (including for the avoidance of doubt any amounts calculated as being payable under

Condition 8 (*Fixed Periodic Distribution Provisions*), Condition 9 (*Floating Periodic Distribution Provisions*) and Condition 12 (*Capital Distributions of Trust*)) notwithstanding that the Trustee has at the relevant time insufficient funds or Trust Assets to pay such amounts.

For the purposes of these Conditions, "**Obligor Event**" means:

- (i) (1) an amount less than the Required Amount is deposited into the Transaction Account on the Business Day prior to a Periodic Distribution Date and such failure to deposit the Required Amount to the Transaction Account continues for a period of seven Business Days; or (2) insufficient funds are deposited to the Transaction Account on the Business Day prior to the Dissolution Date to allow the Trustee to pay the relevant Dissolution Amount due and payable on such Dissolution Date and the insufficiency in funds in the Transaction Account continues for a period of 14 days; or
- (ii) the Obligor defaults in the performance or observance of any of its other material obligations under or in respect of the Transaction Documents to which it is a party (other than its obligations as set out in clause 4.1.5 of the Service Agency Agreement (save for the delivery of the Tangibility Event Notice)) (except in any case where, in the opinion of the Delegate, the failure is incapable of remedy where no such continuation or notice as is hereinafter mentioned will be required), the default continues for a period of 30 days after written notice thereof, addressed to the Obligor by the Delegate, has been delivered to the Obligor; or
- (iii) any indebtedness of the Obligor or any of its Material Subsidiaries is not paid when due or within any applicable grace period or becomes due and payable prior to its specified maturity (and, in the case of a guarantee or indemnity, is called), provided that it shall not constitute an Obligor Event unless the aggregate amount (or its equivalent in U.S. dollars) of all such indebtedness either alone or when aggregated with all such other indebtedness, which shall remain unpaid or unsatisfied, as the case may be, shall be more than U.S.\$50,000,000; or
- (iv) the Obligor or any of its Material Subsidiaries takes any corporate action or other steps are taken or legal proceedings are started for its winding-up, nationalisation, dissolution, administration or re-organisation (whether by way of voluntary arrangement, scheme of arrangement or otherwise) or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any substantial part or all of its revenues and assets and such proceedings are not frivolous or vexatious or are not being actively contested in good faith by the Obligor or, as the case may be, such Material Subsidiary save: (1) in the case of the Obligor, for the purposes of reorganisation on terms approved by an Extraordinary Resolution; or (2) in the case of a Material Subsidiary, for the purposes of a solvent consolidation, amalgamation or restructuring, pursuant to which some or all the assets of such Material Subsidiary are transferred to any one or more members of the Group; or
- (v) the Obligor or any of its Material Subsidiaries ceases to carry on the whole or substantially all of its business save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution, provided that a *bona fide* disposal for full value on an arm's length basis of the whole or substantially all of the business of the Obligor shall not be deemed in any event to be an Obligor Event for the purposes of this sub-paragraph; or
- (vi) the Obligor or any of its Material Subsidiaries is unable to pay its debts as they fall due, commences negotiations with its creditors as a whole or any one or more classes of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors; or
- (vii) any execution or distress is levied against, or an encumbrancer takes possession of, the whole or substantially all of the property, undertaking or assets of the Obligor or any of its Material Subsidiaries or any event occurs which under the laws of any jurisdiction has a similar or analogous effect, unless such enforcement proceedings are frivolous or vexatious or are being actively contested in good faith by the Obligor or any of its Material Subsidiaries; or

- (viii) the Obligor or any of its Material Subsidiaries fails to comply with or pay any sum which amount shall not be less than U.S.\$50,000,000 due from it under any final non-appealable judgment or any final non-appealable order made or given by any court of competent jurisdiction and such failure continues for period of 30 days next following the service by the Delegate on the Obligor of notice requiring the same to be paid/remedied; or
- (ix) at any time (following the expiry of any grace period permitted by applicable law) it is or becomes unlawful for the Obligor to perform or comply with any or all of its material obligations under or in respect of the Transaction Documents to which it is a party.

For this purpose, the "**winding-up**", "**dissolution**" or "**administration**" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

"**Material Subsidiary**" means, at any time, a Subsidiary:

- (i) whose total assets (consolidated, in the case of a Subsidiary which itself has Subsidiaries) exceed 25 per cent. of the consolidated total assets of the Obligor; or
- (ii) whose total operating income (consolidated, in the case of a Subsidiary which itself has Subsidiaries) exceeds 25 per cent. of the consolidated total operating income of the Obligor.

For these purposes, the total assets and total operating income of such Subsidiary shall be determined by reference to its then most recent audited annual financial statements (or, if none, its then most recent management accounts) and the consolidated total assets and consolidated total operating income of the Obligor shall be determined by reference to its then most recent audited annual consolidated financial statements, in each case adjusted, as the Auditors may consider appropriate, to take account of any changes in circumstances since the date as of which such financial statements (or management accounts) were prepared. A report of the Auditors that in their opinion a Subsidiary of the Obligor is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

16. **ENFORCEMENT AND EXERCISE OF RIGHTS**

16.1 **Enforcement**

Upon the occurrence of a Dissolution Event, to the extent that the amounts payable in respect of the Certificates have not been paid in full, the Trustee (or the Delegate, acting on behalf of the Trustee) (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction) shall, upon being requested in writing by Certificateholders representing at least one-fifth in face amount of the Certificates for the time being outstanding, take one or more of the following steps:

- (a) enforce the Obligor's obligations under the Transaction Documents to which the Obligor is a party; and/or
- (b) take such other steps as the Delegate may consider necessary to recover amounts due to the Certificateholders.

16.2 **Delegate not Obligated to take Action**

Neither the Trustee nor the Delegate shall be bound in any circumstances to take any action to enforce or to realise the relevant Trust Assets or take any action against (as applicable) 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: (a) by an Extraordinary Resolution; or (b) in writing by the holders of at least one-fifth in aggregate face amount of the Certificates then outstanding and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction

against all liabilities to which it may thereby render itself liable or which it may incur by so doing.

16.3 Direct Enforcement by Certificateholders

No Certificateholder shall be entitled to proceed directly against the Trustee or the Obligor unless: (a) the Delegate, having become bound so to proceed, fails to do so within 30 days of becoming so bound and such failure is continuing; and (b) the relevant Certificateholder (or such Certificateholder together with the other Certificateholders who propose to proceed directly against the Trustee or the Obligor) holds at least one-fifth of the aggregate face amount of the Certificates then outstanding. Under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets except pursuant to the Purchase Undertaking, and the sole right of the Trustee, Delegate and the Certificateholders against the Trustee and the Obligor (as applicable) shall be to enforce their respective obligations under the Transaction Documents.

16.4 Limited Recourse

Conditions 16.2 (*Delegate not obliged to take action*) and 16.3 (*Direct enforcement by Certificateholders*) are subject to this Condition 16.4. After distributing the net proceeds of the Trust Assets in accordance with Condition 6.2 (*Application of Proceeds from the Trust Assets*), the obligations of the Trustee in respect of the Certificates shall be satisfied and no holder of the Certificates may take any further steps against the Trustee or the Delegate to recover any further sums in respect of the Certificates and the right to receive any such sums unpaid shall be extinguished. In particular, no Certificateholder shall be entitled to take any action against the Trustee, the Delegate or any other person (other than the Obligor) to recover any such sum in respect of the Certificates or Trust Assets, or petition or to take any other steps for the winding-up of the Trustee, nor shall any Certificateholders have any claim in respect of the Trust Assets of any other trust established by the Trustee.

17. REPLACEMENT OF INDIVIDUAL CERTIFICATES

Should any Individual Certificate be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Trustee may require. Mutilated or defaced Individual Certificates must be surrendered before replacements will be issued.

18. NOTICES

All notices regarding Certificates will be in the English language and will be deemed to be validly given if published in one or more leading English language daily newspapers of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Trustee shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Certificates are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any Individual Certificates are issued, there may, so long as any Global Certificate representing the Certificates is held in its entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Certificates and, in addition, for so long as any Certificates are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Certificates on the same day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Certificateholder shall be in writing and given by lodging the same, together with the relative Certificate or Certificates, with the Principal Paying Agent. Whilst any of the Certificates are represented by a Global Certificate, such notice may be given by any holder of a Certificate to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

19. **MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION**

19.1 **Meetings of Certificateholders**

The Master Trust Deed contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more Certificateholders, proxies or representatives holding or representing in the aggregate at least a majority in face amount of the Certificates for the time being outstanding, or at any adjourned such meeting one or more Certificateholders, proxies or representatives present whatever the face amount of the Certificates held or represented by him or them except that any meeting the business of which includes the modification of certain provisions of the Certificates (including modifying the Maturity Date, reducing or cancelling any amount payable in respect of the Certificates or altering the currency of payment of the Certificates or amending certain covenants given by the Trustee in the Master Trust Deed), the quorum shall be one or more persons present holding or representing at least 75 per cent., in aggregate face amount of the Certificates for the time being outstanding, or at any adjourned such meeting one or more persons present holding or representing at least 25 per cent., in aggregate face amount of the Certificates for the time being outstanding.

19.2 **Extraordinary Resolutions**

To be passed, an Extraordinary Resolution requires a majority in favour consisting of at least two-thirds of the persons voting on a show of hands or, if a poll is duly demanded, a majority of at least two-thirds of the votes cast on such poll and, if duly passed, will be binding on all holders of the Certificates, whether or not they are present at the meeting and whether or not voting. The Master Trust Deed also provides that an Extraordinary Resolution may be passed by: (a) a resolution in writing signed by or on behalf of the holders of at least 75 per cent, in face amount of the Certificates which resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Certificateholders; or (b) consent being given by way of electronic consents through the relevant Clearing System(s) (in a form satisfactory to the Delegate) by or on behalf of the holders of at least 75 per cent. in face amount of the Certificates.

19.3 **Modification**

The Delegate may agree, without the consent or sanction of the Certificateholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or other Transaction Documents or determine, without any such consent or sanction as aforesaid, that any Dissolution Event shall not be treated as such, which in any such case is not, in the opinion of the Delegate, materially prejudicial to the interests of the Certificateholders or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest or proven error. The Delegate shall also, without the consent or sanction of the Certificateholders, agree to any modification of the Conditions in accordance with and subject to the provisions of Condition 9.7 (*Benchmark Replacement*).

19.4 **Entitlement of the Delegate**

In connection with the exercise by it of any of the powers, trusts, authorities and discretions vested in it (including, without limitation, any modification, waiver, authorisation or determination), the Delegate shall have regard to the general interests of the Certificateholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Certificateholders

(whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof) and the Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim from the Delegate or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders except to the extent provided in Condition 13 (*Taxation*).

Any modification, abrogation, waiver, authorisation or determination shall be binding on all the Certificateholders and shall be notified to the Certificateholders as soon as practicable thereafter in accordance with Condition 18 (*Notices*).

20. **INDEMNIFICATION AND LIABILITY OF THE DELEGATE AND THE TRUSTEE**

20.1 **Indemnification**

The Trust Deed contains provisions for the indemnification of each of the Delegate and the Trustee in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction as well as provisions entitling the Delegate to be paid its costs and expenses in priority to the claims of the Certificateholders. In particular, in connection with the exercise of certain rights arising after the occurrence of a Dissolution Event in respect of the Trust Assets, the Delegate shall not be required to take any action unless directed to do so in accordance with Condition 16.2 (*Delegate not obliged to take action*).

20.2 **No Liability**

Neither the Delegate nor the Trustee makes any representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Obligor under any Transaction Document to which the Obligor is a party (or are parties) and shall not under any circumstances have any liability or be obliged to account to the Certificateholders in respect of any payment which should have been made by the Obligor, but is not so made, and shall not in any circumstances have any liability arising from the Trust Assets other than as expressly provided in the Conditions or in the Trust Deed.

Each of the Delegate and the Trustee is exempted from: (a) any liability in respect of any loss or theft of the Trust Assets or any cash; (b) any obligation to insure the Trust Assets or any cash; and (c) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depository or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of wilful default or fraud of the Trustee or the Delegate, as the case may be.

20.3 **Waiver**

Subject to Condition 15 (*Dissolution Events*) and Condition 16 (*Enforcement and Exercise of Rights*), the Trustee waives any right to be indemnified by the Certificateholders in circumstances where the Trust Assets are insufficient therefor.

21. **FURTHER ISSUES**

In respect of each Series, the Trustee may from time to time (but subject always to the provisions of the Master Trust Deed) without the consent of the Certificateholders create and issue Additional Certificates having the same terms and conditions as the outstanding Certificates of such Series or terms and conditions which are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which such Periodic Distribution Amounts start to accrue, and so that the same shall be consolidated and form a single series with the outstanding Certificates of such Series.

Any Additional Certificates which are to form a single Series with the outstanding Certificates of a particular Series shall be constituted by a declaration of commingling of assets which will be supplemental to the Master Trust Deed (as further supplemented by the relevant Supplemental

Trust Deed(s)).

References in these Conditions to the "**Certificates**" include (unless the context requires otherwise) any other Certificates issued pursuant to this Condition and forming a single series with such Certificates.

In connection with an issuance of Additional Certificates in accordance with this Condition 21, pursuant to the Trustee's Sale and Purchase Undertaking the Trustee grants to the Obligor the right to require the Trustee to purchase and accept the transfer of all of the Obligor's interests, rights, title, benefits and entitlements, present and future, in, to and under the Additional Assets from the Obligor at the Additional Assets Exercise Price.

In the event that: (a) the Trustee has exercised its rights under this Condition 21 to issue Additional Certificates; and (b) in connection with such Additional Certificates, the Trustee and the Obligor have entered into: (i) an Additional Assets Sale Agreement in accordance with the terms of the Trustee's Sale and Purchase Undertaking pursuant to which the Obligor has sold to the Trustee all of its rights, title, interest and benefit in and to certain Additional Assets; and/or (ii) a Commodity Murabaha Investment pursuant to the Master Murabaha Agreement, the Trustee will execute a declaration of commingling of assets for and on behalf of the holders of the existing Certificates and the holders of such Additional Certificates so issued, declaring that any such Additional Assets shall be commingled with the existing Wakala Portfolio (and the existing Wakala Assets together with such Additional Assets shall comprise the Wakala Portfolio of that Series) and will be commingled together with any new and/or existing Commodity Murabaha Investment to form the Sukuk Portfolio for that Series, and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Certificates and the holders of such Additional Certificates as tenants in common pro rata according to the face amount of Certificates held by each Certificateholder, in accordance with the relevant Trust Deed.

22. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term of these Conditions 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.

23. **GOVERNING LAW AND DISPUTE RESOLUTION**

23.1 **Governing Law**

The Agency Agreement, the Trust Deed (including these Conditions) and the Certificates and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Trust Deed (including these Conditions) and the Certificates are governed by, and shall be construed in accordance with, English law.

23.2 **Arbitration**

Subject to Condition 23.3 (*Court of Law*), any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Trust Deed and/or the Certificates (including any dispute, claim, difference or controversy regarding the existence, validity, interpretation, performance, breach or termination of the Trust Deed and/or the Certificates or the consequences of their nullity and any dispute, claim, difference or controversy relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration under the LCIA Arbitration Rules (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 23.2. For these purposes:

- (a) the seat, or legal place, of arbitration will be London;
- (b) the governing law of the arbitration agreement shall be English law;
- (c) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions; and

- (d) the language of the arbitration shall be English.

23.3 **Court of Law**

Notwithstanding Condition 23.2 (*Arbitration*) above, the Delegate (or, but only where permitted to take action in accordance with these presents, any Certificateholder) may, in the alternative, and at its sole discretion, by notice in writing to the Trustee and the Obligor:

- (a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (b) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If the Delegate or any Certificateholder (where permitted so to do) gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 23.4 (*Submission to Jurisdiction*) and, subject as provided below, any arbitration commenced under Condition 23.2 (*Arbitration*) in respect of that Dispute will be terminated. With the exception of the Delegate (whose costs will be borne by the Trustee, failing which the Obligor), each person who gives such notice and the recipient of that notice will bear its own costs in relation to the terminated arbitration.

If any notice to terminate the arbitration in accordance with Condition 23.3 (*Court of Law*) is given after service of any Request for Arbitration in respect of any Dispute, the Delegate or the relevant Certificateholder, as the case may be, must also promptly give notice to the LCIA 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, 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:

- (a) 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;
- (b) his entitlement to be paid his proper fees and disbursements; and
- (c) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

23.4 **Submission to Jurisdiction**

In the event that a notice pursuant to Condition 23.3 (*Court of Law*) is issued, the following provisions shall apply:

- (a) subject to paragraph (b) below, the courts of England or the courts of the Dubai International Financial Centre ("**DIFC**"), at the option of the Delegate or any Certificateholder (where permitted so to do in accordance with these presents), shall each have non-exclusive jurisdiction to settle any Dispute and each of the Trustee and the Obligor submits to the exclusive jurisdiction of such courts;
- (b) each of the Trustee and the Obligor waives any objection to the courts of either England or the DIFC on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute; and
- (c) this Condition 23.4 is for the benefit of the Delegate and the Certificateholders only. As a result, and notwithstanding paragraph (a) above, the Delegate and any Certificateholder (where permitted so to do) may start proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Delegate and the Certificateholders (where permitted to do so) may start concurrent Proceedings in any number of jurisdictions.

23.5 **Judgment Interest**

The parties recognise that the receipt and payment of interest is not permitted under Shariah and accordingly agree that no interest (nor any cost of funds or any amounts in respect of any loss of

opportunity) will be payable or receivables under or in connection with the Agency Agreement, the Trust Deed (including these Conditions) and the Certificates, and, if any Proceedings are brought by or on behalf of any party under Agency Agreement, the Trust Deed (including these Conditions) and the Certificates, each party agrees it will:

- (a) not claim judgment interest under, or in connection with, such Proceedings; and
- (b) to the fullest extent permitted by law, waive all and any entitlement it may have to judgment interest awarded in its favour by any court as a result of such Proceedings.

For the avoidance of doubt, nothing in this Condition 23 shall be construed as a waiver of rights in respect of Periodic Distribution Amounts or Dissolution Amounts payable under the Certificates, Portfolio Revenues payable under the Service Agency Agreement, any Deferred Sale Price payable under the Master Murabaha Agreement, any Exercise Price or Optional Put Exercise Price payable under, and as defined in, the Purchase Undertaking, any Exercise Price or Optional Call Exercise Price payable under, and as defined in, the Trustee's Sale and Purchase Undertaking shall be construed as a waiver of rights in respect of Periodic Distribution Amounts payable under the Certificates, Portfolio Revenues payable under the Service Agency Agreement, or Deferred Sale Price, Murabaha Profit, Murabaha Profit Instalment 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, howsoever such amounts may be described or re-characterised by any court or arbitral tribunal.

23.6 **Waiver of Immunity**

The Obligor irrevocably and unconditionally waives any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) or any order or judgment made or given in connection with any Proceedings or Disputes.

23.7 **Appointment of Process Agent**

Each of the Trustee and the Obligor appoints Emirates NBD Bank PJSC, London Branch (attention of: Chief Executive Officer) at its registered office at Emirates NBD House, 25 Knightsbridge, London, SW1X 7LY, United Kingdom as its agent for service of process and agrees that, in the event of Emirates NBD Bank PJSC, London Branch ceasing so to act or ceasing to be registered in England, it will immediately (and in any event within 30 days of the event taking place) appoint another person as its agent for service of process in England in respect of any Proceedings or Disputes. Failure by a process agent to notify the person that appointed it of any process will not invalidate the relevant proceedings. Nothing herein shall affect the right to serve process in any other manner permitted by law.

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) in the case of each Tranche of the relevant Series of Certificates, the Murabaha Investment Amount will be used to purchase Commodities from the Trustee's commodity agent and on-sell such Commodities to the Obligor for the Deferred Sale Price pursuant to a Murabaha Contract; and (ii) the Purchase Price will be used to purchase from the Obligor, in the case of the first Tranche of the relevant Series of Certificates, the Initial Wakala Assets or, in the case of each subsequent Tranche of the relevant Series of Certificates, the Additional Assets.

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 any on-sale of commodities by the Obligor, shall be invested in the Obligor's Islamic finance business.

DESCRIPTION OF THE TRUSTEE

General

EI Sukuk Company Ltd. (previously EIB Sukuk Company Ltd.), a Cayman Islands exempted company with limited liability, was incorporated on 16 April 2007 under the Companies Act (As Revised) of the Cayman Islands with company registration number 185691. The Trustee has been established as a special purpose vehicle for the sole purpose of issuing Certificates under the Programme and entering into the transactions contemplated by the Transaction Documents. The registered office of the Trustee is at c/o MaplesFS Limited, P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands, and its telephone number is +1 345 945 7100.

The authorised share capital of the Trustee is U.S.\$50,000 divided into 50,000 shares of a nominal or par value of U.S.\$1.00 each, 250 of which have been issued. All of the issued shares (the "**Shares**") are fully-paid and are held by MaplesFS Limited with registered office at P.O. Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands as share trustee (the "**Share Trustee**") under the terms of a declaration of trust dated 6 June 2007 (as supplemented by a deed of appointment and retirement of trustees dated 24 May 2016) (the "**Share Declaration of Trust**") under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Declaration of Trust). Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has the power to benefit the Certificateholders or Qualified Charities (as defined in the Share Declaration of Trust). It is not anticipated that any distribution will be made by the Share Trustee whilst any Certificate is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

Business of the Trustee

The Trustee does not have any substantial liabilities other than in connection with the Certificates issued, or to be issued, under the Programme. The Certificates are the obligations of the Trustee alone and not the Share Trustee.

The objects for which the Trustee is established are set out in the Amended and Restated Memorandum of Association of the Trustee as adopted on 6 June 2007.

Financial Statements

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 financial statements.

Directors of the Trustee

The directors of the Trustee are as follows:

<u>Name</u>	<u>Principal Occupation</u>
Norbert Neijzen	Regional Head of Fiduciary, Middle East at Maples Fund Services (Middle East) Limited
Stacy Bodden	Vice President at MaplesFS Limited

The business address of Norbert Neijzen is Maples Fund Services (Middle East) Limited, Unit C 1407, Level 14, Burj Daman, Dubai International Financial Centre, P.O. Box 506734, Dubai, United Arab Emirates. The business address of Stacy Bodden is MaplesFS Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

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

The Administrator

MaplesFS Limited will also act as the corporate administrator of the Trustee (in such capacity, the

"Corporate Administrator"). The office of the Corporate Administrator will serve as the general business office of the Trustee. Through the office, and pursuant to the terms of an amended and restated corporate services agreement entered into between the Trustee and the Corporate Administrator and dated 13 October 2021 (the **"Corporate Services Agreement"**), the Corporate Administrator will perform in the Cayman Islands various administrative functions on behalf of the Trustee, including communications with shareholders and the general public, and the provision of certain clerical, administrative and other services until termination of the Corporate Services Agreement. The Corporate Administrator will also provide registered office services to the Trustee in accordance with its standard terms and conditions for the provision of registered office services (the **"Registered Office Terms"**). In consideration of the foregoing, the Corporate Administrator will receive various fees payable by the Trustee at rates agreed upon from time to time, plus expenses. The terms of the Corporate Services Agreement and the Registered Office Terms provide that the Trustee may terminate the appointment of the Corporate Administrator by giving 30 days' notice to the Corporate Administrator at any time within 12 months of the happening of any certain stated events, including any breach by the Corporate Administrator of its obligations under the Corporate Services Agreement or the Registered Office Terms. In addition, the Corporate Services Agreement and the Registered Office Terms provide that the Corporate Administrator shall be entitled to retire from its appointment by giving at least three months' notice in writing.

The Corporate Administrator will be subject to the overview of the Trustee's board of directors. The Corporate Services Agreement may be terminated (other than as stated above) by either the Trustee or the Corporate Administrator giving the other party at least three months' written notice.

The Corporate Administrator's principal office is P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

The directors of the Trustee are all employees or officers of the Corporate Administrator. The Trustee has no employees and is not expected to have any employees in the future.

Cayman Islands Data Protection

The Issuer has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the **"DPA"**) based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Certificates and the associated interactions with the Trustee and its affiliates and/or delegates, or by virtue of providing the Trustee with personal information on individuals connected with the investor (for example, directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals may be providing the Trustee and its affiliates and/or delegates (including, without limitation, the Corporate Administrator) with certain personal information which constitutes personal data within the meaning of the DPA. The Trustee shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Corporate Administrator, may act as data processors (or data controllers in their own right in some circumstances).

For further information on the application of the DPA to the Trustee, please refer to the privacy notice (a copy of which may be requested from the Corporate Administrator by email at dubai@maples.com), which provides an outline of investors' data protection rights and obligations as they relate to the investment in the Certificates.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Trustee could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

SELECTED FINANCIAL INFORMATION

The following tables set out in summary form certain financial information relating to the Group. Such information is extracted from the Financial Statements (which, including the auditor reports thereon, are incorporated by reference in this Base Prospectus) and, unless otherwise stated, such financial information has been audited.

The financial information presented below should be read in conjunction with the Financial Statements (including the auditor reports thereon and the notes thereto) and other information included elsewhere in this Base Prospectus, including in "Presentation of Certain Financial and Other Information".

Key Financial Information and Ratios

The following tables set out certain key financial information and ratios in respect of the Group as at and for the years ended 31 December 2022, 31 December 2021 and 31 December 2020.

	<u>As at and for the year ended 31 December 2022</u>	<u>As at and for the year ended 31 December 2021</u>	<u>As at and for the year ended 31 December 2020</u>
	<i>(AED millions)</i>		
Income Statement Data			
Total operating income	3,182.0	2,398.0	2,088.0
General and administrative expenses	(1,539.0)	(1,191.1)	(1,083.9)
Total net impairment loss ¹	(402.9)	(383.8)	(1,486.3)
Net profit/(loss) for the year	1,240.1	823.0	(482.2)

¹ Comprises "Net impairment loss on financial assets" and "Net impairment loss on non-financial assets".

	<u>As at and for the year ended 31 December 2022</u>	<u>As at and for the year ended 31 December 2021</u>	<u>As at and for the year ended 31 December 2020</u>
	<i>(AED millions unless otherwise specified)</i>		
Statement of Financial Position Data			
Total assets	74,763.7	64,904.4	70,571.3
Financing receivables	48,369.0	42,614.0	40,809.0
Investments ¹	7,636.4	6,981.3	5,191.3
Customer acceptances	923.8	787.2	504.7
Total deposits ²	58,223.7	49,817.5	54,692.0
Total equity attributable to equity holders of the Group	9,260.3	8,551.0	7,852.0
Profitability Indicators³			
Net profit margin (per cent.) ⁴	3.39	2.62	2.68
Return on average shareholders' equity (per cent.) ⁴	13.9	10.0	(6.0)
Earnings per share (AED) ⁴	0.228	0.152	(0.089)
Capital Adequacy Indicators³			
Capital adequacy ratio (per cent.) ⁴	19.01	19.73	19.16
Liquidity and Business Indicators⁴			
Cost to income ratio (per cent.) ⁴	48.4	49.7	51.9
Financing/customer deposits (per cent.) ⁴	85.8	90.2	87.1
Net financing growth (per cent.) ⁴	13.5	4.4	8.8
Impaired financing receivables/gross financing receivables (per cent.) ⁴	7.0	8.2	9.0
Number of employees	1,666	1,518	1,722

¹ Comprises "Investment securities" and "Investment properties".

² Comprises "Due to banks" and "Customer deposits".

³ Unaudited.

⁴ For further information, please see "Presentation of Certain Financial and Other Information – Alternative Performance Measures".

Sources of Funding

The Group's main source of funding has been customer and other banks' deposits, sukuks and shareholders' equity. The following table sets out the Group's funding from such sources as at 31 December 2022, 31

December 2021 and 31 December 2020.

	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
	<i>(AED millions)</i>		
Due to banks	1,880.1	2,548.4	7,813.9
Customer deposits.....	56,343.7	47,269.1	46,878.1
Sukuk payable.....	3,672.5	3,672.5	5,510.9
Total equity attributable to equity holders of the Group.....	9,260.3	8,551.0	7,852.0

Assets and investments

The following table sets out information in relation to the Group's assets and investments as at 31 December 2022, 31 December 2021 and 31 December 2020.

	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
	<i>(AED millions)</i>		
Cash and deposits with the UAE Central Bank	12,026.3	10,688.2	19,633.5
Due from banks	4,614.5	2,768.7	3,651.7
Investment securities	7,355.9	6,684.6	4,827.2
Financing receivables	48,369.0	42,614.0	40,809.0
Customer acceptances	923.8	787.2	504.7
Investment properties	280.5	296.7	364.1
Property and equipment.....	249.2	281.9	301.6
Other assets.....	944.5	783.1	479.5
Total assets	74,763.7	64,904.4	70,571.3

Maturity profile of assets and liabilities

The following table sets out information regarding the maturity profile of the Group's assets and liabilities (based on their carrying values) as at 31 December 2022. For information regarding the maturity profile of the Group's assets and liabilities (based on their carrying values) as at 31 December 2021, see Note 36(O) to the 2021 Financial Statements.

31 December 2022	Within 3 months	Over 3 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Undated and over 5 years	Total
	<i>(AED millions)</i>					
Assets						
Cash and deposits with Central Bank.....	10,863.8	1,162.5	-	-	-	12,026.3
Due from banks	2,882.6	1,731.9	-	-	-	4,614.5
Investments ¹	215.9	680.0	2,126.8	2,107.5	2,506.3	7,636.4
Financing receivables	14,664.8	7,081.5	9,806.6	4,808.9	12,007.3	48,369.0
Customer acceptances	923.8	-	-	-	-	923.8
Property and equipment.....	-	-	-	-	249.2	249.2
Other assets.....	266.7	5.1	45.8	67.4	559.6	944.5
Total assets	29,817.6	10,661.0	11,979.1	6,983.7	15,322.4	74,763.7
Liabilities						
Due to banks	1,133.7	190.7	-	-	555.7	1,880.1
Customer deposits.....	46,699.1	8,349.3	515.8	430.0	349.5	56,343.7
Sukuk payable.....	-	-	1,836.3	1,836.3	-	3,672.5
Customer acceptances	923.8	-	-	-	-	923.8
Other liabilities	1,144.8	5.3	47.0	70.8	1,415.4	2,683.3
Total equity	-	-	-	-	9,260.3	9,260.3
Total liabilities and equity	49,901.5	8,545.3	2,399.1	2,337.0	11,580.8	74,763.7

¹ Comprises "Investment securities" and "Investment properties".

Financing Receivables

The following table sets out the financial activities undertaken by the Group which generated the Group's financing receivables as at 31 December 2022, 31 December 2021 and 31 December 2020:

	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
	<i>(AED millions)</i>		
<i>At amortised cost</i>			
Murabaha	32,616.4	29,957.0	28,892.9
Credit card receivable	2,287.3	1,646.7	1,486.9
Wakala	364.5	208.4	249.6
Istisna'a	1,306.6	873.2	1,141.5
Ijara	17,820.0	15,581.5	14,938.6
Others	115.0	76.8	19.1
Total financing receivables	54,509.8	48,343.6	46,728.6

The following table sets out the concentration of credit risk by economic activity sector in relation to the Group's financing receivables as at 31 December 2022, 31 December 2021 and 31 December 2020.

	As at 31 December 2022¹	As at 31 December 2021¹	As at 31 December 2020¹
	<i>(AED millions)</i>		
Manufacturing	2,614.8	2,072.7	1,830.3
Construction	768.8	780.1	760.7
Trade	5,223.5	5,185.1	6,127.3
Transport and communication	83.3	886.3	864.0
Utilities and Services ²	1,479.0	1,268.9	975.3
Sovereign	793.7	502.5	482.8
Personal	32,609.1	29,513.9	27,831.2
Real estate	3,832.2	2,255.5	3,540.6
Hotels and restaurants	91.2	33.6	43.3
Management of companies and enterprises	3,141.2	2,631.0	1,462.4
Financial institutions and investment companies	1,534.4	1,425.4	783.2
Others	2,338.6	1,788.7	2,027.5
Total financing and receivables	54,509.8	48,343.7	46,728.6

¹ Does not include "others due from banks" and "investment securities".

² Referred to as "Services" in the 2021 Financial Statements.

The following table summarises the movement in the Group's net financing receivables as at 31 December 2022, 31 December 2021 and 31 December 2020.

	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
	<i>(AED millions)</i>		
Total financing receivables	54,509.8	48,343.6	46,728.6
Less: Deferred income	(1,428.2)	(1,310.5)	(1,587.8)
Less: Expected credit loss	(4,712.7)	(4,419.1)	(4,331.8)
Net financing receivables	48,369.0	42,614.0	40,809.0

The following table sets out the movement in the Group's ECL as at 31 December 2022, 31 December 2021 and 31 December 2020.

	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
	<i>(AED millions)</i>		
Balance at 1 January (adjusted opening as per IFRS 9)	4,419.1	4,331.8	3,730.9
Allowances for impairment made during the year	796.1	724.6	1,565.2
Write-back/recoveries made during the year	(208.8)	(131.5)	(109.4)
Amounts written-off during the year	(293.7)	(513.1)	(855.0)

	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
Exchange and other adjustments	-	7.3	—
Closing balance	4,712.7	4,419.1	4,331.8

As at 31 December 2022, the contractual amount outstanding on financing receivables which were written-off during the year and were still subject to enforcement activity amounted to AED 294 million (31 December 2021: AED 513 million).

Commitments and Contingent Liabilities

The following table sets out the Group's commitments and contingent liabilities as at 31 December 2022, 31 December 2021 and 31 December 2020.

	As at 31 December 2022	As at 31 December 2021	As at 31 December 2020
		<i>(AED millions)</i>	
Letters of credit.....	648.7	477.2	535.4
Guarantees	5,461.8	4,565.0	4,530.5
Liability on risk participations	-	123.0	17.3
Irrevocable financing commitments.....	1,489.3	1,789.0	1,203.8
Total	7,599.7	6,954.2	6,287.1

Irrevocable financing commitments represent a contractual commitment to permit drawdowns on facilities granted by the Group. Such drawdowns may only be within a defined period and are subject to conditions precedent and termination clauses. Further, such commitments may expire without being drawn down. Accordingly, such aggregate contract amounts do not necessarily represent exact future cash requirements.

As at 31 December 2022, the Group had a capital commitment of AED 9.7 million for branch refurbishments and automation projects (31 December 2021: AED 17.2 million).

Related Party Transactions

As at the date of this Base Prospectus, Emirates NBD holds a 99.9 per cent. stake in Emirates Islamic. In turn, as at the date of this Base Prospectus, the ICD holds a 55.75 per cent. stake in Emirates NBD. The ICD is wholly-owned by the Government.

The Group enters into related party transactions with Government-related entities in the normal course of its business. The Group enters into such transactions on normal commercial terms. In addition, the Group also enters into transaction with other related parties who are not Government-related entities. The Group enters into such transactions on substantially the same terms, including profit rates and collaterals, as those prevailing at the same time for comparable transactions with third parties.

As at 31 December 2022, the Group's financing and other receivables attributable to related parties amounted to AED 980.0 million while the Group's customers deposits and other payables from related parties amounted to AED 1,706.8 million. For further information, please see Note 31 to the 2022 Financial Statements.

DESCRIPTION OF THE GROUP

Overview

Emirates Islamic, formerly known as Middle East Bank PJSC, was incorporated as a public limited company and conventional commercial bank by H.H. Sheikh Rashid bin Saeed Al Maktoum, the former Ruler of Dubai, pursuant to Emiri Decree dated 4 October 1975, as amended by Emiri Decree dated 3 April 1976 and, in 1991, was acquired by Emirates NBD (at the time, Emirates Bank International PJSC) pursuant to an agreement dated 9 December 1991. Emirates Islamic was registered as a Public Joint Stock Company in July 1995 (Commercial Register No. 30 dated 18 July 1995).

In 2004, in response to customer demand for Shariah-compliant products on a broader scale, Emirates Islamic was converted to an Islamic bank and its name was changed to "Emirates Islamic Bank PJSC" (a resolution was passed at an extraordinary general meeting of shareholders held on 10 March 2004 to convert Emirates Islamic's activities to be fully Shariah-compliant). The process was completed on 9 October 2004 when Emirates Islamic obtained the UAE Central Bank's and other relevant UAE authorities' approvals.

Through its 42 branches across the UAE (as at 31 December 2022), Emirates Islamic provides full Islamic banking services and a variety of products through Shariah-compliant financing and investment activities. As at 31 December 2022, Emirates Islamic was the third largest Islamic bank in the UAE by total assets (*source*: year-end 2022 consolidated financial statements for UAE banks).

Emirates Islamic is a publicly listed company whose shares are listed on the Dubai Financial Market (the "DFM"). As at 31 December 2022, Emirates Islamic's authorised capital was AED 10.0 billion, consisting of 10 billion shares of AED 1 each. Emirates Islamic's paid-up capital, as at 31 December 2022, was AED 5.4 billion. As at 31 December 2022, Emirates Islamic was 99.9 per cent owned by Emirates NBD.

As at 31 December 2022, the Group had total assets of AED 74.8 billion (which included financing receivables of AED 48.4 billion), total deposits of AED 58.2 billion (comprising due to banks and customer deposits) and a total capital adequacy ratio of 19.0 per cent. For the year ended 31 December 2022, the Group's net profit for the year was AED 1.24 billion.

Whilst the Group does have a strong degree of independence in the operation of its business, it enjoys a high level of support from Emirates NBD and its subsidiaries (together, the "**Holding Company Group**") in relation to business support functions, including human resources, IT, certain administrative services and back-office operations such as clearing and remittances (see further "*Description of the Group – Competitive Strengths – Support from the Holding Company Group*"). In addition, Emirates Islamic's network of Automated Teller Machines ("**ATMs**") is integrated with the network within the Holding Company Group. Emirates Islamic is also aligned to Holding Company Group policy and standards, to the extent not inconsistent with the rules and principles of Shariah as per the standards of the Emirates Islamic Internal Shariah Supervision Committee. All of Emirates Islamic's activities are overseen by the Emirates Islamic Internal Shariah Supervision Committee comprising scholars of Islamic Shariah (see further "*Management and Employees – Board Committees – Emirates Islamic Internal Shariah Supervision Committee*").

General

Emirates Islamic's registered office address is P.O. Box 6564, Dubai, United Arab Emirates. Emirates Islamic's head office is located on the 3rd Floor, Building 16, Dubai Health Care City, P.O. Box 6564, Dubai, United Arab Emirates. Emirates Islamic's general contact number is +971 4 316 0330.

As at the date of this Base Prospectus, Emirates Islamic has been assigned a long-term foreign currency issuer default rating of 'A+' with a Stable Outlook, Short-Term IDR (ST IDR) of 'F1', with a Viability Rating of 'bb' by Fitch.

Ownership Structure

As at the date of this Base Prospectus, Emirates NBD holds a 99.9 per cent. stake in Emirates Islamic. In turn, as at the date of this Base Prospectus, the ICD holds a 55.75 per cent. stake in Emirates NBD. The ICD is wholly-owned by the Government.

Emirates NBD was incorporated and registered in the UAE as a Public Joint Stock Company on 16 July

2007 and is a publicly listed company whose shares are listed on the DFM. Emirates NBD is one of the largest banking entities in the UAE across a range of metrics, including by shareholders equity and by financing/loans as at 31 December 2022 (*source*: year-end 2022 financial statements for UAE banks). Originally incorporated to serve as the holding company of Emirates Bank International PJSC and National Bank of Dubai PJSC during the initial stages of their merger, on 21 November 2009, Emirates Bank International PJSC and National Bank of Dubai PJSC were legally amalgamated with Emirates NBD. As a result of the amalgamation, all of the assets and liabilities of Emirates Bank International PJSC and National Bank of Dubai PJSC were transferred to Emirates NBD and Emirates Bank International PJSC and National Bank of Dubai PJSC were dissolved. Emirates NBD has a significant presence in the UAE retail, corporate and commercial banking market. Emirates NBD (including through the operation of its operating subsidiaries) is one of the leading full-service banks in the UAE with branches in India, the KSA, Singapore, the UAE and the UK, as well as branches (through its operating subsidiaries) in Austria, Bahrain, Egypt, Germany, Turkey and Russia, and representative offices in China and Indonesia. The board of directors of Emirates NBD is chaired by H.H. Sheikh Ahmed bin Saeed Al Maktoum, who is also the Chairman of the Supreme Fiscal Committee of the Government. The board of directors of Emirates NBD is composed of nine directors, six of which are also members of Emirates Islamic's board of directors (which has a total of seven directors).

The ICD is wholly-owned by the Government and was established in May 2006, through the partial transfer of the Government's investment portfolio from the Department of Finance, pursuant to a decree issued by H.H. Sheikh Mohammed bin Rashid Al Maktoum, the Ruler of Dubai. It is the only entity mandated to directly own and manage the Government's corporate assets. The aim of the ICD is to assist in establishing the vision for Dubai through devising and implementing the Government's investment strategy and managing investments deemed to be of strategic importance to Dubai's long-term development goals. The investments, diversified across multiple sectors, are considered to be a platform for the future growth of Dubai and include Dubai's most recognised companies including but not limited to, in addition to Emirates NBD, Borse Dubai Limited, Commercial Bank of Dubai PJSC, Dubai Aerospace Enterprise (DAE) Ltd, Dubai Aluminium PJSC, Dubai Cable Company (Private) Ltd, Dubai Islamic Bank PJSC, Emaar Properties PJSC, Emirates National Oil Company Limited (ENOC) LLC and The Emirates Group (including the Dubai National Air Travel Agency, dnata). The board of directors of the ICD is chaired by H.H. Sheikh Mohammed bin Rashid Al Maktoum, the Ruler of Dubai and is composed of eight directors, who include the Chairman of Emirates NBD.

Strategy

Emirates Islamic's vision is to be the leading provider of high standard Shariah-compliant innovative financial products, quality value and superior value for its customers, shareholders, employees and community. In order to achieve its objective, Emirates Islamic implemented its Strategy 2023–2025, which is driven by the following five key pillars, with Environment, Social and Governance (ESG) integrated into each pillar:

1. Accelerate growth momentum by unlocking opportunities and refining approach on existing avenues;
2. Activate digital strategy as a value proposition and efficiency tool;
3. Capture value from advance analytics across business and support;
4. Build a high-performance organization and position Emirates Islamic as employer of choice; and
5. Leverage on the Group's strength and reap the benefits of collaboration.

As part of this broader Strategy 2023–2025, Emirates Islamic intends to focus on the following key strategic goals.

Gearing Emirates Islamic's three major business segments for achieving its Strategy 2023–2025

Each of Emirates Islamic's three major business segments, (1) Corporate and Institutional Banking ("**C&IB**"); (2) Treasury and Markets ("**Treasury**"); and (3) Consumer Banking and Wealth Management ("**CBWM**"), are geared towards achieving Emirates Islamic's five pillars by focusing on certain key strategic levers.

Emirates Islamic C&IB Strategic Focus

Beginning with business development, C&IB intends to focus on the mid-market segment, improve the quality of its resources, and expand its financial institution business in the GCC, Africa and Asia. C&IB

also intends to capture fee income and ancillary cross-sell opportunities by focusing on transaction banking, treasury product sales, and utilizing analytics to identify additional cross-sell opportunities.

Through Emirates Islamic's "one bank" approach, C&IB will support CBWM's cross selling by providing employee banking support to facilitate key clients and CBWM's advisory support. Further, C&IB will collaborate with Emirates NBD's corporate and institutional banking segment to reap collaboration benefits, in part through IT systems development for efficiencies and global financial institution limit utilization.

Emirates Islamic Treasury Strategic Focus

Emirates Islamic's Treasury plans to continue building its banking book to ensure available stable funding. Further, Treasury intends to diversify its asset and liability management funding and income sources by having an active, market-marketing repo and reverse repo desk, increase its inter-bank counterparties, and introduce Wakala variants. Treasury also intends to continue to diversify its sales revenue by growing its wealth management and Shariah-compliant hedging solutions contribution. Treasury intends to expand its sales product offering to include Shariah-compliant structure deposits, structured notes, and new Shariah-compliant hedging variants, as well as improve its client penetration.

Emirates Islamic CBWM Strategic Focus

CBWM intends to accelerate its growth through customer acquisition. CBWM intends to expand its employee banking proposition, expand sales coverage in advantage banking, and increase risk management coverage in its premium segments.

Further, CBWM intends to enhance its digitization on key digital initiatives and tools and increase its marketing and brand awareness across premium segments and employee banking. CBWM intends to centre customer experience as a differentiator by leveraging its customer care and knowledge management portal, develop an omnichannel model and centralize complaint management. Further, CBWM intends to leverage advanced analytics to build new use cases for foreign exchange, wealth and asset cross-sell, and strengthen ongoing cross-sell efforts.

Strengthen Emirates Islamic's support foundation

Emirates Islamic aims to strengthen its support foundation via strong collaboration with units like Compliance, Legal, Credit, Risk, Shariah Control. IT and Operations & Transformation support will also be re-enforced by leveraging on Group-wide investments to position Emirates Islamic as a key player in the Islamic Banking digital market.

Support active collaboration to unlock Group synergies

The success of Emirates Islamic Strategy 2023–2025 is underpinned by active collaboration within the Group to unlock synergies in opportunity areas by retaining and upskilling talent, accelerating digital delivery, enhancing operational efficiency, and collaborating across IT and platform support.

Build a high-performance organization

Emirates Islamic intends to build a high-performance organization through enhancing its Human Resources ("HR") technology matrix, collaborating with the Group's HR, and positioning Emirates Islamic as the employer of choice among Islamic Banks.

Competitive Strengths

Emirates Islamic enjoys a number of key competitive strengths, including the following:

Support from the Holding Company Group

Although Emirates Islamic is a separate legal and operating entity which has a great degree of autonomy in respect of its business, it also enjoys a high level of support from the Holding Company Group in relation to many support functions including human resources, IT, certain administrative services and back-office operations such as clearing and remittances. For instance, Emirates Islamic utilises the services of its sister companies in the Holding Company Group such as Tanfeeth LLC, a subsidiary of Emirates NBD, which handles, amongst other things, Emirates Islamic's call centre and various back-office functions such as

clearing, payment and remittance processing.

Diversified distribution channels

Emirates Islamic is able to distribute its products and services through a variety of channels, which include its network of branches, ATMs and Cash Deposit Machines ("CDMs"), a direct sales force, the internet, phone and mobile banking and a call centre. In 2019, Emirates Islamic launched its first teller-less branch in Mirdif City Centre in Dubai. Emirates Islamic has accounts with a diverse client base, which in turn creates opportunities to cross-sell its other products and services such as auto and home financing facilities (see further "*Description of the Group – Business of the Group*").

Service quality

Emirates Islamic considers service quality and quick response time to be the key differentiators in maintaining client and customer satisfaction, and loyalty. To this end, Emirates Islamic's employees are trained in client service techniques and new product and market developments. Emirates Islamic ensures continuous monitoring and improvement of customer services through a customer service working committee which meets monthly to monitor the implementation of various strategic initiatives designed to ensure continuous improvement of its service quality. As part of Emirates Islamic's commitment to customer service, it has appointed an independent service provider for reaching out to Emirates Islamic's growing customer base with a monthly customer satisfaction survey. In recognition of its focus on customer excellence, robust performance, and innovation in Islamic banking, Emirates Islamic was named "Best Islamic Bank in Customer Experience" by World Finance Islamic Finance Awards in 2022.

Ability to innovate

Emirates Islamic has in the past benefited from various first-mover advantage through provision of unique and innovative products and service (see further "*Description of the Group – Business of the Group – Consumer Banking and Wealth Management*"). In recent years, Emirates Islamic has been looking at innovative products as well as digital and analytics advancement to deliver existing products and services more efficiently (see further "*Description of the Group – Strategy – Digital and Analytics Advancement*"). Emirates Islamic was also named 'Best Islamic Bank for SMEs' at the MEA Finance Awards 2022, recognized for its innovative proposition for small and medium enterprises (SMEs) and its status as a preferred bank for entrepreneurs seeking Shariah-compliant products and services for their businesses.

Shariah compliance standards

Emirates Islamic strives for Shariah compliance by offering all its products and services in strict conformity with the Shariah supervision parameters approved by the Emirates Islamic Internal Shariah Supervision Committee (see further "*Management and Employees – Board Committees – Emirates Islamic Internal Shariah Supervision Committee*").

To this end, Emirates Islamic has established an Internal Shariah Control division that supports the *fatwa* and supervisory functions of the Emirates Islamic Internal Shariah Supervision Committee. The Emirates Islamic Internal Shariah Control division undertakes the Shariah consultation, Shariah research and development, Shariah trainings and Shariah compliance for the Group. The Head of Internal Shariah Control Function reports to the Board.

Emirates Islamic has also established an Internal Shariah Audit division which is an independent, objective assurance and consulting team that works to monitor and improve Emirates Islamic's compliance to Islamic Shariah. The main objective of the Internal Shariah Audit division is to provide reasonable assurance, in the form of an opinion, to the Board of Directors and the Emirates Islamic Internal Shariah Supervision Committee on Emirates Islamic's adherence to Islamic Shariah. In addition, the Head of the Internal Shariah Audit division submits reports, to the Emirates Islamic Internal Shariah Supervision Committee and the BAC for implementing findings within their report and any follow-up actions required.

The Internal Shariah Control and Audit divisions are staffed with skilled employees who ensure that Shariah rules and principles are applied to all new products and services. This helps to ensure that Emirates Islamic's reputation as a premier Islamic bank is maintained.

Experienced and committed management

Emirates Islamic aims at a high employee retention rate and a high proportion of Emirates Islamic's senior management team has been "home-grown" within the Holding Company Group. In addition, most of the senior management team has many years of experience with international and UAE banks (see further "*Management and Employees*").

Comprehensive human capital management

Emirates Islamic considers its people as one of its most valuable resources. The Group's human resources department adopts a holistic approach in attracting, retaining, developing and engaging all of the Group's employees. In particular, a dedicated diversity and inclusion function has been established within the Group's human resources department to ensure continuous focus within the Group on creating an inclusive environment. Further, the learning and development function within the Group's HR department focuses on providing comprehensive training to the Group's employees. Emirates Islamic believes that the continuous efforts and developmental programmes provided over the past years by Emirates Islamic have contributed to the high level of skill in the industry and have contributed to Emirates Islamic being seen as an industry leader (see further "*Management and Employees – Employees – Learning and Development*").

Strong IT base

Emirates Islamic is focused on utilising the most advanced IT systems to secure the accounts of its customers and ensure that customers' data is well protected and secured against unauthorised access. Emirates Islamic also envisages the role of IT to be significant in ensuring that Emirates Islamic remains responsive and flexible to the competitive and dynamic forces of the environment within which it operates. Accordingly, Emirates Islamic continues to invest in IT to ensure that it is resourced in line with modern banking requirements.

The mainframe of the IT system is centralised at the Holding Company Group level. Emirates Islamic regularly undertakes business process automation, consolidation of IT assets and continuous replacement of obsolete and redundant IT systems to ensure that Emirates Islamic's IT support infrastructure functions in an operationally productive and cost-efficient environment.

Emirates Islamic's IT investment strategy is focused on continuously improving the cost efficiency and the quality of the services that Emirates Islamic provides to its customers. In 2020, Emirates Islamic completed the upgrade of its core banking IT system to have a single platform across the Holding Company Group. Emirates Islamic is currently implementing an end-to-end digital sourcing solution for front-end consumer banking which employs workflow technology with more robust control in respect of the various work-steps in Islamic finance processing and uses digital imaging technology to reduce the delays and inefficiencies in handling paper documents.

Links with the community

Emirates Islamic's philosophy has been to maintain strong links with the local community and it intends to continue to promote the positive development of society in the UAE. Emirates Islamic sees this as an important feature in maintaining its position as a premier Islamic bank. For example, it has been active in promoting Emiratisation and employing and training UAE nationals with a view to encouraging them to participate in and enhance the economy of the UAE.

Emirates Islamic enjoys one of the highest Emiratisation levels in the UAE banking sector due to its innovative initiatives in attracting UAE nationals into the industry and as at 31 December 2022, 38 per cent. of Emirates Islamic's total employees were UAE nationals. Of these, 24 per cent. of such UAE nationals are in leadership and managerial roles across the Group. Over 73 per cent. of the Executive Committee (see "*Management and Employees – Board Committees*") members are UAE nationals and one of the members is an Emirati woman. Emirates Islamic's target is to further increase the Emirati representation in the mid to senior levels of its workforce. Emirates Islamic offers sponsorship contracts to Emirati university students who are allocated mentors to train them until the date of their graduation, whereupon they are hired by Emirates Islamic on a permanent basis. Emirates Islamic also hires UAE nationals with differing levels of education as trainees. Such trainees are trained in different departments and branches and attend training courses to improve their skills. Following the completion of the training period, these UAE national trainees are deployed into Emirates Islamic's different departments. As a consistent champion of Emiratisation in

the banking sector, Emirates Islamic was the recipient of the "Human Resources Development" award in 2019 by the Emirates Institute for Banking and Financial Studies. Emirates Islamic is also the "Official Islamic Banking Partner" for Expo 2021 Dubai.

Competition

In respect of its consumer banking and corporate banking divisions, Emirates Islamic's principal competitors include both banks that are locally incorporated (conventional and Islamic) as well as certain foreign banks operating in the UAE. The UAE could be viewed as an over-banked market, even by regional standards. As at 30 September 2022, 60 banks (comprising 23 national banks and 37 foreign banks) operated in the UAE (*source*: the UAE Central Bank, Banking Indicators October 2022, published 11 January 2023), serving a population estimated by the World Bank to be 9.3 million in 2021. Of those 60 banks, 51 are conventional banks and nine are Islamic banks.

Emirates Islamic's key competitors are Abu Dhabi Islamic Bank PJSC, Dubai Islamic Bank PJSC and Sharjah Islamic Bank PJSC in the Islamic banking sector as well as conventional banks such as Commercial Bank of Dubai PJSC, Mashreqbank psc and National Bank of Ras Al Khaimah PJSC (RAKBank), all of which are incorporated in the UAE (see further "*The United Arab Emirates Banking Sector and Regulations – Characteristics of the Banking System – Historic lack of consolidation*"). Emirates Islamic's direct competitors also include those international banks which provide Islamic services, as well as the Islamic windows of various domestic and international banks.

Emirates Islamic believes that Islamic banking is one of the fastest growing sectors in the finance industry and that it can continue to capitalise on its experience in the Islamic banking sector to participate in this growth and increase its market share.

Business of the Group

Business segments

For financial reporting purposes, the Group's business activities are comprised of the following segments:

- *Corporate Banking* – represents the Group's products and services to corporates. As at and for the year ended 31 December 2022, the corporate banking segment accounted for 30.4 per cent. of the Group's total assets for the period;
- *Consumer Banking* – represents the Group's products and services to individuals and SMEs. As at and for the year ended 31 December 2022, the consumer banking segment accounted for 47.8 per cent. of the Group's total assets for the period;
- *Treasury* – represents treasury activities of the Group such as managing the Group's portfolio of investments, funds management, interbank treasury operations and brokerage services. As at and for the year ended 31 December 2022, the treasury segment accounted for 21.3 per cent. of the Group's total assets for the period; and
- *Others* – represents the Group's operations and support functions.

For operations management purposes, the Group's activities are principally comprised of the following divisions:

- *Consumer Banking and Wealth Management division* – represents the Group's retail financing and deposits, business banking for SMEs, priority banking, private banking and wealth management operations;
- *Wholesale Banking division* – represents the Group's corporate banking, financial institutions, and structured finance and syndication operations; and
- *Treasury and Markets division* – represents the Group's treasury and markets operations.

Consumer Banking and Wealth Management

Emirates Islamic's Consumer Banking and Wealth Management division ("**CBWM**") offers a complete

range of Shariah-compliant retail and personal banking products and services (as detailed below) through its various distribution channels. In its wide-ranging offerings designed to meet the varied needs of its CBWM customers, Emirates Islamic has been at the forefront of innovation in its retail operations, including being:

- the first bank in the UAE to introduce a Shariah-compliant co-branded credit card in association with Emirates airline, with its "Skywards EIB" credit card (in 2008), as well as the first Dubai-based bank to introduce a co-branded credit card with Etihad Airways (in 2019);
- the first Islamic bank in the UAE to offer a mobile banking application ("**mobile app**") (in 2014). As at the date of this Base Prospectus, this mobile app offers over 250 services to customers;
- the first Islamic bank in the UAE to offer all three digital wallets (Apple Pay, Google Pay and Samsung Pay) to its customers (in 2019);
- the first Islamic bank in the world to offer "Chat Banking" services via WhatsApp (in 2019); and
- the first Islamic bank in the UAE to offer dynamic currency conversion for visitors to the UAE using a non-UAE Visa card (in 2019). When making cash withdrawals using their Visa card at any Emirates Islamic ATM across the UAE, such customers will be able to view the exact conversion amount and fees in their home currency before making a cash withdrawal.

Emirates Islamic aims to support these products and services with dedicated and quality customer service.

According to internal management data, the CBWM division accounted for 68 per cent. of the Group's total operating income for the year ended 31 December 2022 (exhibiting a decrease of 10 per cent. compared to the year ended 31 December 2021).

Products and services

Emirates Islamic's principal CBWM products and services include the following:

- *Priority banking* – an exclusive service designed to meet the needs of affluent individuals. Priority banking customers enjoy personalised services and a wide range of benefits including dedicated relationship managers, priority centres, preferential pricing and a range of Shariah-compliant wealth management products;
- *Business banking* – Emirates Islamic provides banking services to SMEs (identified in accordance with Central Bank guidelines), including financing, trade finance, foreign exchange and liabilities and cash management solutions with dedicated relationship managers and hubs within the branch network;
- *Private banking* – a bespoke service platform is available for Ultra High Net Worth Individuals. Private banking clients have access to seasoned private bankers that facilitate them with their wealth management needs through advisory, access to markets and Shariah-compliant investment products;
- *Personal banking* – the main growth engine of retail business that focuses on serving Mass and Emerging Affluent customers. The offering covers all basic banking needs, financing products etc
- *Current accounts* – these accounts are transactional accounts with a checking option and debit card, online and phone banking facilities;
- *Savings accounts* – various savings accounts that provide profits, prizes and other value added services targeted at various customer segments;
- *Investment time deposit accounts* – these are accounts structured under the principles of Mudaraba investment and offered in a variety of tenors ranging from three months to two years;
- *Debit cards* – several VISA debit cards are offered to customers based on their customer segment;
- *Credit cards* – Shariah-compliant Murabaha based VISA credit cards in various categories for

different customer segments including platinum, gold, signature, infinite variants, Classic and "Skywards EIB". The flagship offering includes co-brand cards with Skywards, RTA and Etihad and an exclusive Emirati credit card for UAE Nationals card;

- *Manzili home finance* – providing Shariah-compliant home financing for purchase, transfer and cash release on freehold properties;
- *BINA home finance* – providing home financing to UAE nationals in respect of properties in areas eligible for purchase by UAE nationals only;
- *Auto finance* – car financing (for new and used vehicles) based on murabaha financing. This also covers fleet and light, medium and heavy commercial vehicles; and
- *Personal finance* – financing for a variety of personal needs in the form of investment murabaha, goods murabaha and service ijara.

Distribution channels

The CBWM division offers its products and services through its branches, ATMs and CDMs as well as through internet, phone and mobile banking. As at 31 December 2022:

- *Branches* – Emirates Islamic operated a network of 42 branches located throughout the UAE, comprising 25 branches in Dubai, eight branches in Abu Dhabi and Al Ain, nine branches in Sharjah and Northern Emirates and one pay office in Sharjah;
- *ATMs and CDMs* – Emirates Islamic operated a total of 209 ATMs and CDMs. Emirates Islamic's customers are also able to use Emirates NBD's ATMs and CDMs for no additional fees which gives Emirates Islamic's customers access to a network of over 750 ATMs and CDMs across the UAE as at 31 December 2022. Emirates Islamic's customers can also use any ATM in the UAE through the "UAE Switch network" for a small fee for every withdrawal;
- *Electronic banking* – Emirates Islamic provides extensive electronic banking options to its customers including online and mobile banking (through SMS, mobile app and WhatsApp). Emirates Islamic's online and mobile banking technology platform is provided by the Holding Company Group and therefore Emirates Islamic has the benefit of a well-developed system that is tried, tested and resourced at the Holding Company Group level; and
- *Tablet banking* – Emirates Islamic introduced tablet banking solution for its sales staff in 2021. It allows sales staff to digitally onboard new customers instantly. It is also equipped with digital STP journeys for cross-selling credit cards.

Wholesale Banking

Emirates Islamic's Wholesale Banking division provides a full-fledged value proposition consisting of working capital finance, trade finance, project finance, syndicate and structured finance, cash management and treasury services to large and mid-sized corporates, financial institutions, sovereigns and government-related entities.

The Wholesale Banking division is segmented into two key business units, namely Corporate & Institutional Banking division and Treasury and Markets division.

The Corporate & Institutional Banking division is segmented into three key business units, namely corporate banking, structured finance and syndication and financial institutions.

According to internal management data, the Corporate & Institutional Banking division accounted for 20 per cent. of the Group's total operating income for the year ended 31 December 2022 (in line with compared to the year ended 31 December 2021).

Corporate Banking

Emirates Islamic is a leading player in the corporate banking segment in the UAE, offering customised Shariah-compliant financial solutions to cater to its clients' requirements. The corporate banking unit

consists of specialist teams that deliver industry insight and tailored financial solutions to their large and mid-sized corporate clients. These solutions cover a wide suite of innovative financial products and services, including:

- *Financing solutions* – provision of short-term financing solutions to meet a client's working capital requirements (which includes procurement of raw materials, parts, supplies and other inventory assets) as well as long-term financing solutions to facilitate capital expenditure and expansion requirements of clients' businesses (which include among others, acquisition of property, plant and machinery and contract/project financing); and
- *Transaction banking* – provision of comprehensive product suite, including: (a) full-fledged cash management solutions via an electronic banking platform to facilitate customers' payments, collections and liquidity management in an efficient manner; (b) trade and supply chain solutions that are designed to meet business requirements pertaining to imports, exports and guarantee issuance to support both local and global business requirements; and (c) digital products and services.

The above products and services are provided through Shariah-compliant structures including Murabaha, Ijara and Mudaraba. Emirates Islamic's corporate banking customers consist of private sector customers, public sector customers and government bodies/agencies that operate in trade, manufacturing, real estate and other industries.

Structured finance and syndication

Emirates Islamic's structured finance and syndication unit provides bespoke structured financing and syndication financing solutions to customers. The unit also provides fee based services in the roles of arranger and agency services to Emirates Islamic's clients on syndications and sukuk financing transactions.

In liaison with the requisite credit and Shariah approvals, Emirates Islamic's structured finance and syndication unit has the discretion to enter into a wide range of financing and investment opportunities.

Financial institutions

The financial institutions unit manages Emirates Islamic's overall relationships with financial institutions. Its principal functions include management of Emirates Islamic's sovereign and financial institutions limits and exposures, marketing of Emirates Islamic's products and services to financial institutions across the globe, facilitation of fund raising initiatives through sourcing of bilateral, club and market funding, and management of Emirates Islamic's correspondent banking relationships.

Treasury and Markets

Emirates Islamic's Treasury and Markets division offers a wide range of products and services to both corporate and individual clients, including foreign exchange products and services in the UAE for domestic, GCC and G10 currencies as well as multi-asset structuring and execution services.

According to internal management data, the Treasury and Markets division accounted for 6 per cent. of the Group's total operating income for the year ended 31 December 2022 (exhibiting an increase of 4 per cent. compared to the year ended 31 December 2021).

The Treasury and Markets division is segmented into four "desks", namely, sales and structuring, flow and execution, asset liability management and business management support. The key functions of these desks are:

- *Sales and structuring* – this desk offers an extensive suite of products that caters to Emirates Islamic's wholesale banking, wealth management and retail client needs. The desk's coverage spans various asset classes with a special focus on foreign exchange and profit rate vanilla hedging although the desk also provides a wide range of Shariah-compliant derivative products specific to client requirements;
- *Flow and execution* – this desk provides execution services to clients in relation to multiple Shariah approved asset classes such as foreign exchange, banknotes, equities, sukuk, third party funds and third party structured notes;

- *Asset liability management* – this desk manages Emirates Islamic's liquidity and foreign exchange position in accordance with the Group's risk management framework (see "*Description of the Group – Risk Management*"). This desk also manages Emirates Islamic's nostros and interbank short to medium term funding and sukuk banking book and monitors Emirates Islamic's regulatory requirements; and
- *Business management support* – this desk performs a number of internal governance functions such as operational management of the Programme as well as policies, procedures, documentation and systems utilised by the Treasury and Markets division.

In addition, the Treasury and Markets division is responsible for Emirates Islamic's overall long-term and short-term liquidity, guided by the overriding principle of prudent liquidity management in accordance with the policy set by the Holding Company Group and Emirates Islamic's Assets and Liabilities Committee ("**ALCO**") (see further "*Management and Employees – Board and Management Committees – Assets and Liabilities Committee*").

The majority of Emirates Islamic's funding is provided by customer deposits and the interbank market is used for residual funding purposes. To mitigate future liquidity risks (for instance, risks associated with market events), the Treasury and Markets division adopts the Holding Company Group's liquidity buffer policy, which is designed to be of a size sufficient to deal with all foreseeable liquidity events.

Subsidiaries

As at 31 December 2022, Emirates Islamic had the following subsidiaries:

- *EI Funding Limited* – EI Funding Limited ("**EIFL**") was established in May 2014 and is 100 per cent. owned by Emirates Islamic. EIFL is a special purpose vehicle incorporated under the laws of the Cayman Islands and its principal activities comprise purchasing a portfolio of assets from Emirates Islamic through the issuance of certain liquidity instruments as consideration for such portfolio. These instruments are traded through an in-house platform;
- *EI Sukuk Company Ltd.* – the Trustee was established in June 2007 and is a Cayman Islands exempted company with limited liability. All of the issued share capital of the Trustee is held by the Share Trustee (see further "*Description of the Trustee*"). However, for financial reporting purposes, the Trustee is consolidated as a "special purpose entity" subsidiary of Emirates Islamic (see also Note 7(a)(ii) to the 2022 Financial Statements); and
- *Emirates Islamic Financial Brokerage* – Emirates Islamic Financial Brokerage ("**EIFB**") was established in April 2006 and is 100 per cent. owned by Emirates Islamic. EIFB provided Shariah-compliant brokerage services to investors in the local stock markets which included both the Abu Dhabi Securities Market ("**ADX**") and the DFM. EIFB offered customers the opportunity to trade shares through dedicated brokers as well as online trading. EIFB offered a competitive fee structure, dedicated brokers, customer service representatives and trading rooms for high net worth individuals. On 30 September 2021, following an announcement from Emirates Islamic, EIFB closed its business and existing customers were offered the ability of moving their securities accounts to Emirates NBD's subsidiary, Emirates NBD Securities LLC, which offers brokerage services.

Response to COVID-19

In response to the COVID-19 pandemic, the Group implemented a series of relief measures to support its impacted customers. These included: (i) deferrals of profit/principal due, to provide short-term liquidity to address customer cash flow issues in conjunction with the UAE Central Bank and the TESS; and (ii) rescheduling solutions with reduced equated monthly instalments.

Additionally, in 2020 and 2021, following the movement restrictions and social distancing imposed, the Group effected certain branch closures, reduced staff attendance at the branches that continued to operate, and implemented working-from-home regimes.

Risk Management

The activities of the Group require continuous management of particular risks or combinations of risks.

Risk management is the identification, analysis, evaluation and management of the factors that could adversely affect the Group's resources, operations and financial results. The main risk factors that affect the Group are market, liquidity, credit, operational and reputational risks. Emirates Islamic aims to manage the Group's exposure to these risks conservatively. For further information, please see Note 36 to the 2022 Financial Statements.

Risk Management Framework

Risk is managed proactively across the Group through a framework of principles, standards, policies, organisational structures, approval authorities, measurement, monitoring and control processes which incorporates well-defined risk identification, measurement and monitoring processes. This risk management framework is intended to ensure that major risks that could adversely affect the Group's resources, operations and financial results are identified, measured, aggregated, monitored and managed effectively.

The Group operates a three-line defence risk management model wherein front office functions, support functions, risk management oversight and assurance roles are undertaken by functions that are independent of one another.

Business units are the first line of defence and are responsible and accountable for on-going risk management that includes identifying, assessing and reporting such exposures, taking into account the Group's risk appetite and its policies and procedures and controls.

Control units within business units, the risk management, finance, Internal Shariah Control and a compliance function are considered as the second line of defence. These functions complement the business lines' risk activities through their monitoring and reporting responsibilities. Among other things, these functions are responsible for overseeing the Group's risk-taking activities and assessing risks and issues independently from the relevant business line.

The internal audit function (including the Internal Shariah Audit department) is considered as the third line of defence. Among other things, the independent internal audit function provides an impartial review and objective assurance on the quality and effectiveness of the Group's internal control system, the first and second lines of defence and the risk governance framework (see further "*Description of the Group – Risk Management – Legal and Internal Audit – Internal audit*").

Risk governance

The risk governance structure of the Group ensures central oversight and control with clear accountability for and ownership of risk.

The Board has the ultimate responsibility for setting the Group's risk appetite and for the establishment and oversight of the risk management framework. The Board is assisted by a number of board committees, such as the Board Risk Committee (the "**BRC**"), the Board Audit Committee (the "**BAC**") and the Board Credit and Investment Committee (the "**BCIC**"). The Board is also assisted by a number of management committees, such as the Group's Executive Committee (the "**EXCO**"), the Management Credit Committee (the "**MCC**"), the Holding Company Group Risk Committee (the "**GRC**"), the ALCO and the Emirates Islamic Internal Shariah Supervision Committee (see further "*Management and Employees – Board and Management Committees*") which, in turn, are assisted by the respective business and risk control units.

On a day-to-day basis, the risk management framework is managed by the Group's risk management function ("**Group Risk**"), headed by the Chief Risk Officer. The Chief Risk Officer of the Holding Company Group has overall oversight of Group Risk. Group Risk is independent of the other business units and functions to ensure that the necessary balance in risk/return decisions is not compromised by pressures for better results in terms of revenues and to ensure transparency of decisions in accordance with the Group's standards and policies. Group Risk's primary role is to:

- Ensure the risk management framework is effectively communicated and implemented across the Group and is appropriate to the Group's activities;
- Exercise direct ownership for various risk types including but not limited to market, country, liquidity, credit, operational and reputational risks

- Ensure that the Group's business strategies, risk policies, procedures and methodologies are consistent with the Group's risk appetite;
- Ensure the integrity of the Group's risk/return decisions guaranteeing their transparency; and
- Ensure that appropriate risk management architecture and systems are developed and implemented.

Group Risk operates within the overall ambit of regulations governed by the UAE Central Bank, in compliance with standards and guidelines issued by the Emirates Islamic Internal Shariah Supervision Committee and in alignment with the Group's risk governance and risk management framework, the Group's strategy and the Board-approved risk appetite statement.

The Group's risk appetite statement is an articulation of the risk that the Group would be willing to accept, underwrite and/or be exposed to in the normal course of its business conduct. It is a mechanism used by the Group to proactively establish and subsequently monitor the Group's risk profile using a set of predefined key risk metrics and respective thresholds.

Market and treasury credit risk

The Group is exposed to market and treasury credit risk from its client servicing and balance sheet management activities. Consistent with the Group's approach to strict compliance with Shariah rules and principles, the Group does not involve in speculative foreign exchange transactions. Accordingly, the principal factors affecting the Group's market risk exposure are equity risk, duration risk and credit spread risk.

The Group's market risk is managed through risk limits sub-delegated by the Holding Company Group (i.e., the limits are approved for the Holding Company Group (including for the Group) by the Holding Company Group's assets and liabilities committee and sub-delegated to the Group's Treasury and Markets division).

Liquidity risk

The Group is exposed to liquidity risk due to mismatches in the amount and timings of cash flows. The Group is exposed to liquidity risk through: (i) funding liquidity risk which is the risk that the Group will not be able to efficiently meet both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the Group; and (ii) market liquidity risk which is the risk that the Group cannot easily offset or eliminate a position at the market price because of inadequate market depth or market disruption.

The Group's liquidity risk is managed through its liquidity and funding management framework. The liquidity and funding management process includes:

- Mis-match analysis ("**Gap Report**") between assets and liabilities for different periods with a focus on shorter tenures. The Gap Report is based on contractual cash flow, retention and decay assumptions for non-maturing assets and liabilities and potential liquidity demand through undrawn commitments;
- Monitoring key balance sheet liquidity and financing ratios against internal and regulatory requirements;
- Maintaining a diverse range of funding sources with back-up facilities;
- Projecting cash flows under various stress scenarios and considering the level of liquid assets necessary in relation thereto;
- Maintaining financing plans;

Monitoring customer depositor concentration to avoid undue reliance on large individual depositors and ensure a satisfactory overall funding mix; and

- Maintaining liquidity and funding contingency plans. These plans identify early indicators of distress conditions and describe actions to be taken in the event of difficulties arising from systemic or other crisis, while minimising adverse long-term implications for the business.

The Group maintains a diversified funding base comprising of core deposits (Corporate & Consumer) and institutional balances. This is augmented by available wholesale funding lines and stock of high quality liquid assets diversified by currency and maturity which are held to enable the Group to respond quickly and smoothly to any unforeseen liquidity requirements.

Credit risk

The Group is exposed to credit risk mainly from commercial and consumer financing receivables, and financing commitments arising from such financing and interbank activities. Credit risk can also arise from *Shariah*-compliant hedging instruments (profit rate swaps), financial guarantees, letters of credit, endorsements and acceptances. The Group is also exposed to credit risks arising from investments in financing securities (Sukuk and *Shariah* Compliant Shares) as well as settlement balances with market counterparties and reverse repurchase agreements.

The Group's credit policy focuses on core credit principles, financing guidelines and parameters, control and monitoring requirements, identification and management of high risk counterparties and provisioning. Standard procedures specific to businesses have been established to manage various types of risks across different business segments, products and portfolios. Portfolio performance is periodically measured against parameters set out in the risk appetite statement and breaches if any are presented to the GRC and the BRC for actioning and resolution.

Credit risk measurement and grading

The estimation of credit risk for risk management purposes is complex and requires use of models, as the exposure varies with changes in market conditions, credit worthiness of the counterparties, expected changes in expected cash inflows and the passage of time. The assessment of credit risk of a portfolio of assets entails prospects of a recovery post the obligor going into default. The Group's credit risk strategy is focused on credit risk quantification using probability of default, exposure at default and loss given default (a similar approach is used for measuring ECL under IFRS 9) and credit risk management using various limits on concentration thresholds and credit risk mitigation by imposing credit covenants and collateral requirements on the obligors.

The Group uses internal credit risk grading that reflects its assessment of the probability of default of individual counterparties. Obligor and financing receivable specific information collected at the time of application and at the time of each renewal, such as disposable income and level of collateral and turnover and industry type considerations is used as an input for the model. The credit grades are calibrated, such that the risk of default increases exponentially at each higher risk grade. For example, the difference in the probability of default between a 1A and 2A rating grade is lower than the difference in the probability of default between a 3A and 4A rating grade.

The Group's rating scale comprises four rating grades for performing portfolios (1 to 4) and one rating grade (5) which is considered to be in default. Each rating grade is further broken down into six notches (a to f) to ensure sufficient granularity and credit differentiation. The Group's internal rating scale is also mapped with rating scales published by external rating agencies. The master scale assigns each rating category a specified range of probabilities of default, which is expected to be stable over time. The rating models are reviewed for re-calibration periodically so that they reflect the latest projections in the light of observed defaults.

For measuring impairment, the Group follows the IFRS 9 "three-stage" model for impairment which is based on changes in credit quality since initial recognition as set out below:

- *Stage 1* – stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, a 12-month ECL is recognised and profit revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL is the expected credit loss that results from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months;
- *Stage 2* – stage 2 includes financial instruments that have experienced a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these

assets, lifetime ECL is recognised but profit income is still calculated on the gross carrying amount. Lifetime ECL is the expected credit loss that results from all possible default events over the expected life of the financial instrument; and

- *Stage 3* – stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognised and profit income is suspended due to the lower prospect of recovery.

Credit risk management

In respect of consumer banking credit risk management, the Group has a structured management framework which enables the Group to identify and evaluate the significance of all credit risks that the Group faces, which may have an adverse material impact on its financial position. In the consumer banking portfolio, losses stem from outright default due to inability or unwillingness of a customer to meet commitments in relation to funding transactions. The Group's provisioning policy, which is in line with the IFRS and applicable regulatory guidelines, allows the Group to prudently recognise impairment on its retail portfolios.

In respect of wholesale banking credit risk management, credit facilities are granted based on the detailed credit risk assessment of the counterparty. The assessment considers amongst other things the purpose of the facility, sources of re-payment, prevailing and potential macro-economic factors, industry trends as well as customers' credit worthiness and standing within the industry. The credit facility administration process is undertaken by an independent function to ensure proper execution of all credit approvals, maintenance of documentation and proactive controls over maturities, expiry of limits and collaterals while operations are managed by independent units responsible for processing transactions in line with credit approvals and standard operating guidelines. The Group also has a well-defined process for identification of and effectively dealing with early alert, watch list and impaired non-performing financing receivables.

Overall, the Group operates within exposure ceilings set by the Board in line with applicable regulatory requirements. There are well laid out processes for exception management and escalation. The Group has adopted measures to diversify the exposures to various sectors. Diversification is achieved by limiting concentration through setting customer, industry and geographical limits. Risk transfer in the form of syndicated financings, risk participation agreements with other banks and sale of financings (in a Shariah-compliant manner) are globally accepted practices followed by the Group, where appropriate, to limit its exposure. Similarly, collaterals and guarantees are effectively used as mitigating tools by the Group, when necessary.

Credit-impaired assets and write-offs

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative criteria* – the obligor is more than 90 days past due on its contractual payments;
- *Qualitative criteria* – the obligor meets the unlikelihood to pay criteria, which indicates that the obligor is in significant financial difficulty. These are instances like long-term forbearance, insolvency, bankruptcy etc.

Financing and investment securities in wholesale banking are written-off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group has exhausted all legal and remedial efforts to recover from the customers. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-performing consumer financing, except for home financing, are written-off at 181 days past due. All receivables remain active on the finance management system for recovery and any legal strategy the Group may deem fit to use.

Financial Remedial and Restructuring

The Financial Remedial and Restructuring function (the "**FRR**") reports directly into the Chief Risk Officer and is an additional line of defence for the Group. The FRR specialises in the restructuring and renegotiation

of facilities to mitigate potential losses and is responsible for the management of high risk customers including all non-performing accounts. The FRR works closely with the relevant stakeholders (including direct contact with the counterparty) to find solutions. As a last resort, the FRR also initiates and manages the recovery of outstanding facilities through various means, including via litigation and debt collection agencies. The FRR also oversees the write-back of any recovered amounts and the write-off of balances where recovery was unsuccessful. The FRR is a part of the early alert committee and therefore has full visibility on potential high-risk customers. The FRR meets regularly and, as part of these meetings, senior management of the Group is apprised of and provides feedback on recent developments in the FRR portfolio.

Capital adequacy

The Group's total capital is calculated on the basis of the Basel III framework of the Basel Committee on Banking Supervision (the "**Basel Committee**") as prescribed by the UAE Central Bank. For further information, please see "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking*" and Note 35 to the 2022 Financial Statements.

The tiered components of the Group's regulatory capital comprise of:

- *Common Equity Tier 1 ("CET1")* – CET1 capital is the highest quality form of capital, comprising share capital, share premium, legal, statutory and other reserves, fair value reserve, retained earnings, non-controlling interest after deductions for goodwill and intangibles and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes under the UAE Central Bank guidelines;
- *Additional Tier 1 ("AT1")* – AT1 capital comprises eligible non-common equity capital instruments; and
- *Tier 2 ("T2")* – T2 capital comprises qualifying subordinated debt and undisclosed reserve.

As at 31 December 2022, the Group was above the UAE Central Bank imposed requirements, with a total capital adequacy ratio of 19.0 per cent., a Tier 1 capital ratio of 17.9 per cent. and a CET1 ratio of 17.9 per cent.

Operational risk

The Group is exposed to operational risk due to inadequate or failed internal processes and systems, human error or external events. This risk excludes strategic and reputation risks but includes legal risks (described as exposure to fines, penalties and punitive damages resulting from supervisory actions, as well as private settlements), regulatory risks, and the risk arising from change initiatives. The Group has established an operational risk unit within Group Risk in order to institute and monitor the Group's operational risk policy.

In line with the Group's three lines of defence model, the business and support units form the first line of defence and have the primary responsibility and accountability for identifying operational risk in their areas and to promptly mitigate any issues. The Group's operational risk unit is the second line of defence and provides consistent and standardised methods and tools to the Group's business and support functions for managing operational risks. The operational risk unit also provides analysis and reports in respect of operational risk monitoring and compliance to Board committees as well as to the UAE Central Bank and the unit conducts independent oversight and monitoring of operational risks and mitigations measures. The Group's internal audit department is the third line of defence and provides independent and objective assurance to the BAC.

As part of its operational risk management, the Group undertakes:

- *Insurance/takaful cover management* – the Group liaises with the Holding Company Group's risk management function to obtain the necessary insurance/takaful to protect the Group against unexpected and unforeseeable losses;
- *Fraud management* – focusing on investigation of fraud attempts against the Group, creating fraud awareness with stakeholders and identification and mitigation of fraud risks;
- *Whistle-blower protection* – to protect employees for reporting any malpractices within the Group;

- *Cyber security management* – to implement a comprehensive cyber-security framework in conjunction with the Holding Company Group's risk management function; and
- *Business continuity management* – to identify potential threats and the impacts to business operations that those threats, if realised, might cause and to provide a framework for building organisational resilience with the capability for an effective response if such threats materialise. The Group's business continuity process is based on ISO22301:2012 (E).

Regulatory/compliance risk

Regulatory/compliance risk is the risk of reputational and/or financial losses due to the failure to comply with applicable laws, regulations or sanctions.

The Group has an independent compliance function, with the necessary mandate and authority to enforce and monitor compliance on a Group-wide basis. This includes compliance with applicable laws and regulations across the various jurisdictions where the Group operates. Compliance policies covering key areas are applicable Group-wide and are supplemented where necessary to address any unique local requirements (see further "*Description of the Group – Risk Management – Compliance policies*"). These policies are supported by automated screening and monitoring systems and associated investigation teams to help comply with the relevant requirements. The Group undertakes independent compliance monitoring to provide assurance as to the effectiveness of controls. In addition, the Group provides mandatory compliance training to all relevant staff (both during on-boarding and periodically thereafter) to help ensure that key requirements are complied with.

Reputational risk

Reputational risk is the risk of potential loss of earnings and future revenue, loss in market value, or lack of liquidity supply due to deterioration of reputation. It also includes the threat to the brand value of the Group as well as risks arising from non-compliance with the Emirates Islamic Internal Shariah Supervision Committee's resolutions and fatwas while making administrative decisions, products, or executing financial products contracts. The Group has measures to ensure a positive perception of the Group, and overall risk management provides appropriate management of the Group's reputational risk. In particular, regarding the Shariah non-compliance risk, the Group has a permanent Internal Shariah Control Division that evaluates existing and proposed solutions before presenting them to the Emirates Islamic Internal Shariah Supervision Committee for approval. The Internal Shariah Audit Division conducts a periodic audit to ensure compliance with Shariah principles and rules.

Legal and internal audit

Industry regulation and supervision

Banking and financial institutions in the UAE are subject to governmental supervision and regulation exercised by the UAE Securities and Commodities Authority, the UAE Central Bank and the competent local authority in the Emirate in which the institution is registered, which in Dubai is the Department of Economic Development.

The principal source of banking regulation in the UAE is the UAE Central Bank. The UAE Central Bank provides prudential supervision of each bank's capital adequacy, liquidity and AML controls as well as its general banking activities (see further "*The United Arab Emirates Banking Sector and Regulations*"). The UAE Central Bank monitors compliance by way of regular inspections of banks and their records as well as through the requirement for regular submission of data including, but not limited to, deposited funds, financing and mortgage business, liquidity status and anti-money laundering measures. Emirates Islamic submits monthly, quarterly and annual reports to the Banking Supervision and Examination Department of the UAE Central Bank. Emirates Islamic's memorandum and articles of association, audited financial statements, distribution of dividends and certain other documents are all required to be approved by the UAE Central Bank. Additionally, Emirates Islamic operates under a commercial banking licence granted to it by the UAE Central Bank to undertake Islamic banking activities. The licensing of Islamic banks requires the appointment of an internal Shariah supervision committee by such bank to ensure adherence to Shariah rules and principles in the banks' operations and contracts. Emirates Islamic complies with this requirement through the Emirates Islamic Internal Shariah Supervision Committee (see further "*Management and Employees – Board Committees – Emirates Islamic Internal Shariah Supervision*").

Committee").

As a UAE company, Emirates Islamic is also subject to supervision and regulation at a corporate level by both the UAE Ministry of Economy and Planning and by the local regulatory authorities within each of the Emirates of the UAE in relation to branches located in those Emirates.

Internal Audit

Operating under a mandate from the Board Audit Committee, the Group's internal audit department provides independent internal auditing services across the Group. The Group Chief Audit Officer ("**GCAO**") is independent from the other operations of the Group and the internal audit department has a principal reporting line to the BAC (see further "*Management and Employees – Board and Management Committees – Board Audit Committee*"). Planned audit activities are subject to review and approval by the BAC, which also evaluates and approves the level of resources available to the internal audit department for such activities.

The BAC meets four times annually to discuss the audit reports produced by the internal audit department and to discuss the status of management actions on any issues previously raised with the committee. In addition to these meetings, the GCAO has access to the Chairman of the BAC and the Chief Executive Officer as required.

The primary objective of the internal audit department is to independently assess the adequacy and effectiveness of the control framework through which the activities of the Group are conducted. The internal audit department uses a risk-profiling methodology to assess the relative degree of risk in each of the auditable business units and for selecting the business activity to audit. BAC approval is obtained for the risk-based annual audit plan.

The internal audit department is organised into specialist teams aligned with the Group's primary business and support areas and focuses on the employment of professionally qualified individuals with industry specific experience. Training requirements are identified annually and are delivered in coordination with the Holding Company Group's training centre as required.

The internal audit department is itself subject to a review periodically by independent third party assessors appointed by the BAC.

The types of audit assignments conducted by the internal audit department include:

- *Operational audits* – these involve undertaking a comprehensive review of all business and support activities in order to provide an evaluation of the organisational structure in place to manage the business and the control processes adopted in the related functions, against management's control objectives, which ensure that activities are: (i) authorised, accord with all internal and external authorisation requirements and are conducted in an orderly and efficient manner; (ii) recorded and reported accurately and upon a timely basis; and (iii) protected from loss/misplacement, howsoever arising;
- *Information System Audits (ISA)*– these involve review of general IT controls, infrastructure and information and Cyber Security Controls. Moreover reviews Business Application Controls to assess effectiveness and adequacy of business application systems. In addition review systems under development. (see point below)
- *Project Reviews* – these involve independent review of projects / systems under development to evaluate project management controls and to ensure project is delivered within time / cost parameters.
- *Compliance audits* – these involve the review of adherence to internal policies, plans, procedures, as well as laws and regulations in the countries where the Group operates (including applicable AML and KYC policies and procedures) (see further "*Description of the Group – Compliance policies*").
- *Special Reviews* – these are *ad hoc* reviews that are initiated at the request of senior management or due to emerging issues in a dynamic business environment for risk event associated with control failures for further investigation of cause and impact.

Compliance policies

Emirates Islamic aspires to the highest standards of ethical conduct, transparency and compliance with the local and international laws, rules and regulations which govern its businesses. To support this, the Group has implemented a compliance framework that includes a range of policies, systems and controls. All employees of the Group are required to adhere to its compliance policies at all times and any breaches of which must be reported to the compliance function. The role of the compliance function is to identify, assess and monitor the compliance risks faced by the Group, to advise and report to senior management on these risks and to oversee the satisfaction of regulatory requirements by the Group. The Group's policy is that all applicable legal, statutory and regulatory obligations in force in the jurisdictions in which the Group operates are to be met in full.

The Group's compliance policies cover, amongst other areas, AML and CTF, sanctions, conflicts of interest and personal account dealing, compliance breach management and Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standards ("CRS").

All staff are required to be aware of the Group's policies and procedures, which are available to all staff through the intranet. In addition, the Group conducts specific and role-based training programmes for customer-facing staff.

AML and CTF policies

The Group's AML and CTF policies and procedures are aimed at ensuring that the Group is not being used for the purpose of laundering funds associated with drug trafficking, terrorism and other serious crimes. The Group's policy is to not establish relationships with customers whose transaction requirements gives rise to suspicions of involvement in money laundering activities.

The Group has implemented detailed AML and CTF policies and procedures. The responsibility for implementation and monitoring adherence to the policies and procedures rests with the compliance department.

As part of its AML and CTF policy, the Group conducts KYC and customer due diligence checks, which is mandatory for all new accounts. A customer profile is created at the time of account opening and is updated as customer circumstances change and develop during their time with the Group. Prospective customers are also required to provide key information regarding their identity, circumstances and expected transactions. The Group will terminate any customer relationship where the customer's conduct gives the Group reasonable cause to believe or suspect ongoing involvement with illegal activities. Any such termination follows reporting of the suspicion to the appropriate authorities and any further action by the Group is taken in consultation with the UAE Central Bank.

Emirates Islamic primarily replicates the Holding Company Group's compliance policies and all customers being considered for on-boarding undergo application of the defined "Client Risk Assessment Tool" ("CRAT") and are subsequently categorised as low, medium, high, special, restricted or prohibited and subject to applicable controls/due diligence based on the risk associated. Keeping in view the trends and typologies, the CRAT undergoes ongoing/regular enhancements to cover the various risk dynamics and to accurately identify the risks associated with any client prior to establishing a relationship and to ensure adequate due diligence. In this regard, the Group follows a risk-based approach in line with the UAE Central Bank requirements and international best practices. Related to this, the policy also mandates enhanced due diligence procedures as warranted based on the inherent risk rating of each customer (including politically exposed persons).

Emirates Islamic's customer portfolio base is subject to regular/periodic (delta) screening through an automated solution/system against Group-approved lists, both from sanctions as well as watch-listing perspective. Emirates Islamic has appointed a designated Money Laundering Reporting Officer ("MLRO") who reports to the Head of Compliance. The MLRO is primarily responsible for the implementation of the Holding Company Group's policies and awareness across the Group. The MLRO also provides advisory support to the businesses in respect of AML and CTF related issues and queries. The MLRO is also accountable for implementation as well as continuing operation of the automated AML system and the definition of applicable detection scenarios in coordination with the Holding Company Group's compliance function. The MLRO also interfaces with the UAE Central Bank's Financial Intelligence Unit as and when required.

Sanctions policies

Emirates Islamic has systems and controls in place to ensure compliance with international and local sanctions regulations prescribed by the relevant regulators and to monitor transactions against applicable sanctions requirements. Emirates Islamic uses automated systems to screen and monitor customers and transactions to help ensure compliance with key regulatory requirements.

Conflicts of interest and personal account dealing policies

As a licenced financial institution, Emirates Islamic fully acknowledges the importance associated with the implementation of appropriate arrangements to ensure that any conflicts of interest are managed fairly and in full compliance with the laws and regulations of all jurisdictions in which the Group operates. Emirates Islamic follows the Holding Company Group's conflicts of interest and personal account dealing policies to address the identification and management of any conflicts of interest that may arise in the conduct of its business activities to mitigate the risk of treating a customer(s) unfairly and therefore reduce the associated reputational risk.

The conflicts of interest policy sets out Emirates Islamic's overriding principle and expectations for managing conflicts of interest, including the standards in relation to the establishment and maintenance of "information barriers". The personal account dealing policy sets out the framework and guidelines in relation to personal account dealing and the management of insider information to ensure that the personal investments of employees are free from any conflicts of interest.

Compliance breach management policy

Emirates Islamic is exposed to potential compliance failures as a result of regulatory changes, the nature of tasks involved, human error and system or process failure. The importance of what constitutes a regulatory compliance breach and the significance of reporting, remediating, recording and escalation to prevent the likelihood of a repeat instance has been disseminated to all business areas within the Group.

FATCA and CRS policy

Emirates Islamic is exposed to the FATCA broad extra-territorial reach which requires all non-U.S. foreign financial institutions to register with the U.S. Internal Revenue Service, identify, document and report on accounts maintained by U.S. persons to the U.S. Inland Revenue Service or local regulatory bodies.

Similarly CRS requires financial institutions operating in one or more of the participating jurisdictions, such as Emirates Islamic, to identify and document tax residents of those jurisdictions and report these to the local regulators and tax authorities. Such local regulators and tax authorities may then exchange the information with the various jurisdictions on an annual basis.

The FATCA and CRS policy sets out the minimum standards to be achieved and maintained by the Group (which should also be in accordance with local regulatory requirements).

Information Technology

Emirates Islamic's IT strategy is focused on providing reliable and accurate information systems to its customers and employees in a secure environment through the support of the IT department at the Holding Company Group level. The Holding Company Group's IT department oversees the system maintenance, testing, development and management for the Group and the Group's IT serves as a liaison with the Holding Company Group's IT department.

Emirates Islamic has in place a wide range of banking software that has been developed for the Holding Company Group and re-engineered to suit Emirates Islamic's requirements. Emirates Islamic, in conjunction with the Holding Company Group, entered the final year of a four year, four-phased AED 1 billion organization-level transformation which is expected to continue until the end of 2023. This transformation has focused on enhancing the Holding Company Group's end-to-end IT capabilities across IT architecture, Digitization, operations, governance, and security while enabling comprehensive data management and agile delivery of IT services, with the ultimate aim of creating a global digital innovation advantage for the Holding Company Group as it grows its international footprint.

As at the date of this Base Prospectus, the digital transformation has completed over 98 per cent. of its

scheduled initiatives and achieved several major milestones, including developing and launching new products and services such as: (i) the "Enterprise Payment Hub" which consolidates the Holding Company Group's separate payment services into a unified platform enabling the Holding Company Group (including the Group) to process domestic and cross-border transactions across the jurisdictions in which it operates and in a variety of currencies; and (ii) upgraded core banking services for its UAE and Global operations.

Insurance/Takaful

Emirates Islamic has various insurance/*takaful* policies in place, including directors and officers insurance/*takaful*, third party liability insurance/*takaful* and bankers blanket bond insurance/*takaful*. Emirates Islamic believes that these insurance policies provide it with comprehensive insurance/*takaful* coverage against the various risks to which it may be exposed.

Legal Proceedings

Litigation commenced against banks is a reasonably common occurrence in the banking industry due to the nature of the business undertaken. Emirates Islamic has formal controls and policies for managing legal claims. In the event of defending a claim, once professional advice has been obtained and if it is deemed that Emirates Islamic may be at risk of losing a claim, the amount of potential loss is reasonably estimated. Emirates Islamic then makes adjustments to account for any adverse effects which the claim may have on its financial standing.

As at the date of this Base Prospectus, the Group is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Emirates Islamic is aware) which may have a significant effect on the financial position or profitability of Emirates Islamic or the Group.

MANAGEMENT AND EMPLOYEES

Board of Directors

The Group operates under the direction of the Board of Directors (the "**Board**"), which is comprised of seven members vested with the power to manage the Group and conduct its business in accordance with applicable law, constitutional documents and resolutions of the shareholders. The Board is elected as a body by the shareholders for a term of three years. The Board is fully responsible for the Group's performance and for reporting to the shareholders and decisions are taken by the Board in the sole interest of the Group.

As at the date of this Base Prospectus, the Board is comprised of the persons set out in the following table.

<u>Name</u>	<u>Position</u>
Mr. Hesham Abdulla Qassim Al Qassim	Chairman
Mr. Buti Obaid Buti Al Mulla	Vice Chairman
H.E. Mohamed Hadi Ahmed Al Hussaini	Director
H.E. Huda Syed Naim Al Hashimi	Director
Mr. Salem Mohammed Ibrahim Obaidalla	Director
Mr. Ali Humaid Ali Al Owais	Director
Mr. Shayne Nelson	Director

Mr. Hesham Abdulla Al Qassim was appointed as the Chairman of Emirates Islamic in September 2011. Mr. Al Qassim is also the Vice Chairman and Managing Director of Emirates NBD, the Chairman of Emirates NBD Egypt and DenizBank A.Ş Turkey, both subsidiaries of Emirates NBD. Mr. Al Qassim is also the Vice Chairman and Chief Executive Officer of wasl Asset Management Group, and is responsible for leading its transformation into a world-class asset management company. He has more than 20 years' experience in the banking industry.

Mr. Al Qassim is also the Chairman of Dubai Sports Corporation and Dubai Autism Centre. His other board memberships include Dubai International Financial Centre (DIFC) Authority, Emirates Telecommunications Corporation (Etisalat), DIFC Investments LLC., Itissalat Al-Maghrib (IAM) Maroc Telecom, as well as the International Humanitarian City. Mr. Al Qassim is also a member of the International Cooperation Council France UAE ("CCI France UAE").

Mr. Buti Obaid Buti Al Mulla was appointment as the Vice Chairman of Emirates Islamic in September 2011 and a Director of Emirates NBD, Mr. Al Mulla is the Chairman of Mohamad and Obaid Almulla Group, a Dubai-based family-owned business launched in 1942, and a market leader in key strategic economic sectors: Hospitality, Healthcare & Pharmaceuticals, Real Estate, Travel and Tourism and Investments.

Mr. Al Mulla holds several esteemed positions, Chairman - Dubai Insurance Company P.S.C., Vice Chairman of Emirates Islamic Bank P.J.S.C., Director of Emirates NBD, Director of Emaar Properties PJSC and Director of Dubai Refreshment P.J.S.C.

H.E. Mohamed Hadi Al Hussaini was appointed as a director of Emirates Islamic in September 2011. H.E. Al Hussaini is the Minister of State for Financial Affairs. Currently he also serves on the Board of Emirates NBD. He is also a Board member of Emirates Investment Authority, ICD and Director of Dubai Real Estate Corporation/wasl Asset Management Group and is the Chairman of the Development Committee (DC) of the World Bank Group (WBG) and International Monetary Fund (IMF).

H.E. Al Hussaini has wide professional experience across the banking, finance, real estate and investment sectors. He comes from a prominent family of businessmen primarily engaged in the trading sector.

H.E. Huda Sayed Naim AlHashimi was appointed as a Director of Emirates Islamic and Emirates NBD in February 2022. H.E. AlHashimi is the Deputy Minister of Cabinet Affairs for Strategic Affairs. As part of the responsibilities of her current position, H.E. AlHashimi leads the process of articulating the UAE Leadership's Vision, setting an ambitious long-term strategy. H.E. AlHashimi leads the setup and operation of Mohammed Bin Rashid Centre for Government Innovation. She also leads the Government Accelerators and responsible for governance and institutional restructuring at the Prime Minister's Office.

H.E. AlHashimi has been chosen as a Board member of the “Digital School” as well as a member of the UAE Gender Balance Council and Dubai Women Establishment. She is also a member of the Supreme Committee of the Mohammed Bin Rashid Smart Education Program. She is also member of the metaverse steering committee.

Mr. Salem Mohamed Obaidalla was appointed as a Director of Emirates Islamic in February 2022 and Emirates NBD in February 2019.

Mr. Obaidalla is currently the Senior Vice President – Commercial Operations Americas for Emirates Airline. He has extensive professional experience and contributed to the success of launching new stations in addition to handling the launch of various destinations, such as Amsterdam, Prague, Madrid, Geneva, Copenhagen, St. Petersburg, Dublin, Barcelona and Lisbon.

Mr. Ali Humaid Ali Al Owais was appointed as a Director of Emirates Islamic in March 2013, and a Director of Emirates NBD. Mr. Ali is the Chairman of Al Owais Group, United Food Company P.J.S.C. and Moderna Group LLC. He is the Vice Chairman of Dubai Refreshment Co. P.J.S.C., Modern Bakery and a Director of Oman Refreshment Company.

Mr. Shayne Nelson was appointed as a director of Emirates Islamic in December 2013. Mr. Nelson is the Chief Executive Officer of Emirates NBD. He is also a director on the boards of Emirates NBD Capital Limited, Emirates NBD Capital PJSC, DenizBank A.Ş., the Internal Monetary Conference and Tanfeeth LLC. He is also a Founding Member of the Higher Colleges of Technology Industry Advisory Council, a member of the Advisory Board to the University of Wollongong (Dubai), a Graduate Member of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Managers.

Business address and conflicts of interest

The business address of Emirates Islamic's directors is 3rd Floor, Building 16, Dubai Health Care City, P.O. Box 6564, Dubai, United Arab Emirates.

No member of the Board has any actual or potential conflict of interest between his duties to Emirates Islamic and his private interests or other duties.

Senior Management

The day-to-day management of the Group is conducted by its senior management (the "**Senior Management**"). The Senior Management meets regularly to discuss the business strategy, business plans and performance, strategy and operation of the Group and submits its recommendation to the Board.

As at the date of this Base Prospectus, the Senior Management is comprised of the persons set out in the following table.

Name	Position
Mr. Salah Amin	Chief Executive Officer
Mr. Mohammad Kamran Wajid	Deputy Chief Executive Officer
Mr. Farid Al Mulla	Head of Consumer Banking and Wealth Management
Mr. Fuad Mohamed	Chief Operating Officer
Ms. Huda Sabil Abdulla	Chief Financial Officer
Mr. Fuad Shaiban	Chief Human Resource Officer and Group Head Emiratisation
Mr. Mahdi Al Kazim	Chief Risk Officer
Dr. Abdulsalam Kilani	Head of Internal <i>Shariah</i> Control
Mr. Ebrahim Khalil Qayed	Head of Treasury and Markets

Mr. Salah Amin was appointed as the Chief Executive Officer in 2018. In this role, Mr. Amin is responsible for managing the overall operations of the Group, implementing the Group's vision and maximising stakeholder value. With over 32 years of banking experience, he started his career with the Holding Company Group in 1989. He has extensive experience across corporate clients and distribution management, creating and driving strategy on behalf of clients in several geographies and industries, and

has worked in a number of senior managerial roles in the Holding Company Group (including as the head of various branches, the head of the corporate banking unit and as the Executive Vice President and Head of the Corporate Banking Group in Emirates NBD). He is a member of the boards of several Holding Company Group companies (such as Emirates NBD Capital Limited). He is also a member of the boards of the Al Nasr Sports Club and National General Insurance Company. Mr. Amin holds a degree in business administration from American University (United States).

Mr. Mohammad Kamran Wajid was appointed as the Deputy Chief Executive Officer in 2022. In this role, Mr. Wajid leads all revenue-generating functions at Emirates Islamic, including Consumer and Wealth Management, Corporate & Institutional Banking, Treasury and Transaction Banking. With over 27 years of experience in the UAE banking sector, he has worked with the Holding Company Group for over 20 years and, during this time, has held a number of senior management positions (including as the Head of Wholesale Banking, the Chief Executive Officer of Emirates NBD Capital Limited, the Chief Executive Officer of Emirates Financial Services and the Group Head of International Wholesale Banking and Financial Institutions). Prior to joining the Holding Company Group, he worked with National Bank of Abu Dhabi PJSC (now part of First Abu Dhabi Bank PJSC) and Mashreqbank psc. He also previously served as a board member of Emaar Industries and Investment JSC, Shuaa Capital psc and the Group Chief Executive Officer of Emerald Palace Group. Mr. Wajid holds a Master of Business Administration in Finance and Marketing from Aligarh University (India).

Mr. Farid Al Mulla was appointed as the Head of Consumer Banking and Wealth Management in 2022. Mr. Al Mulla brings with him over 30 years of experience in the Banking Industry wherein he started his career with Emirates NBD group in 1991. During his tenor Mr. Al Mulla has held various results-driven banking executive positions like Head of Private Housing Finance, Head of Distribution and Deputy Head of CBWM. Currently Mr. Al Mulla is overlooking majority of the Retail banking businesses within Emirates Islamic Bank- namely Distribution Network, Private, Priority and Personal Banking segments, Customer Experience, Digital Banking and Business Banking. Mr. Al Mulla also serves as Board member of Emirates NBD Properties, Member of UBF Retail Banking Committee and several other executive committees.

Mr. Fuad Mohamed was appointed as the Chief Operating Officer in 2022. In this role, Mr. Mohamed is responsible for overall Operations & Control, leading IT Projects & alignment with the Group on transformation and key business initiatives to achieve synergy across entities focusing towards digitization. Mr. Mohamed brings with him 23 years of banking experience. Previous to this assignment, he has served as the Chief Operating Officer at Emirates NBD Egypt since 2016, which is part of the Holding Company Group. He also held prestigious positions such as Vice President of Group IT, UAE and Acting Head of Retail Banking, Egypt and has also served as an Executive Board Member in Emirates NBD – Egypt. In addition, Mr. Mohamed also held the valued position as Chairman of Digital Committee in Union Banking Federation in his career span. Mr. Mohamed has completed his education from Dubai Police College & Higher Colleges of Technology in the UAE and has undergone several training programs from institutions like INSEAD & Harvard.

Ms. Huda Sabil Abdulla was appointed as the Chief Financial Officer in 2019. In this role, Ms. Abdulla is responsible for the finance function and directs and controls Emirates Islamic's financial strategies, business objectives, budget and performance management. She has worked with the Holding Company Group for over 28 years (including as the Vice President of Business Performance at Emirates Islamic). Ms. Abdulla holds a bachelor's degree in Business Administration from Ajman University (UAE) and is a qualified Certified Management Accountant (CMA) and Certified Islamic Professional Accountant (CIPA).

Mr. Fuad Shaiban was appointed as the Chief Human Resources Officer in 2022. In this role, Mr. Shaiban serves as Emirates Islamic's Chief Human Resource Officer and Group Head Emiratisation. Mr. Shaiban is a seasoned business executive with over 20 years of experience in strategic human resources leadership across the private and semi-government sectors. Before his current role, he was at the Emirates NBD group, where he led the Group's Talent Management, Recruitment, Organizational Development and Emiratisation functions.

He has been a human capital leader in world-class organisations, and prior to joining the Emirates NBD group, he was the Director of Human Resources at Barclays Bank PLC UAE. Mr. Shaiban later became the bank's Director of UAE Government Affairs & Advisor to the CEO. In this role, he managed all senior stakeholder relationships and represented Barclays Bank in its engagement with the government, media, and regulatory bodies. Mr. Shaiban has held other senior management roles including Head of Human

Resources at the Government of Dubai's Executive Office, and across leading global institutions such as HSBC Bank Middle East Limited and Ernst & Young.

Mr. Shaiban holds a Master of International Human Resources Management from Coventry University in the United Kingdom.

Mr. Mahdi Al Kazim was appointed as the Chief Risk Officer in 2022. In this role, Mr. Mahdi is responsible for all Risk functions within Emirates Islamic. He has a wide ranging experience in the banking industry of 33 years across various banking functions. Prior to joining Emirates Islamic in his current role, Mr. Mahdi was the Chief Credit Officer of Emirates NBD. He formally served on the board of Emirates Islamic Brokerage as a Vice Chairman and Chairman of Corporate Banking Committee of Union Banking Federation (UBF). He currently holds a board position in Emirates NBD Capital. Mr. Mahdi holds a bachelor's degree in Accounting and Computer Science and attended a program with IMD in International General Management program for executive development in Lausanne, Switzerland. He also registered as certified Public Accountant with Ministry of Economy, UAE.

Dr. Abdulsalam Kilani was appointed as the Head of Internal *Shariah* Control in 2012. In this role, Dr. Kilani is responsible for the *Shariah* Control Division at Emirates Islamic. Prior to joining Emirates Islamic in 2012, he was the Head of *Shariah* at Dubai Bank PJSC. With over 15 years of experience in the Islamic banking sector, he has particular expertise in establishing *Shariah* Compliance, *Shariah* Consultations, *Shariah* Audit, *Shariah* training, *Shariah* R&D and, *Shariah* Secretariate functions. Dr. Kilani holds a bachelor's degree in Islamic Studies from the UAE University (UAE), an M.A. Degree in Fiqh from the American University (United Kingdom), and a PhD in Islamic Fiqh from the Scandinavian University (Norway). He is also one of the Founding Members of the UAE Stock Screening Committee of Islamic Banks for *Shariah* Screening of Equities and a member of the Accounting and Auditing Organization for Islamic Financial Institutions ("**AAOFI**") *Shariah* Standards Dubai Chapter.

Mr. Ebrahim Khalil Qayed was appointed as the Head of Treasury and Markets in 2019. In this role, Mr. Qayed is responsible for managing the Group's liquidity and strategic balance sheet, providing treasury sales, structuring and execution solutions to business units within the Group and managing the Group's investment book. He started his career with the Holding Company Group in 2006 and, during his career, held various positions (including as a Branch Manager, Head of Flow and Execution Desk and Head of Treasury Sales and Structuring). He joined Emirates Islamic in 2012. Mr. Qayed holds a bachelor's degree in Information System from the University of Melbourne (Australia) and a master's degree in International Business from Monash University (Australia). He has also completed the Leadership Development programme at Darden Business School, Strategic Thinking, the Leadership programme at Wharton School, and the Leadership Development Program at Said Business School University of Oxford.

Business address and conflicts of interest

The business address of the Senior Management is 3rd Floor, Building 16, Dubai Health Care City, P.O. Box 6564, Dubai, United Arab Emirates.

No member of the Senior Management has any actual or potential conflict of interest between his or her duties to Emirates Islamic and his or her private interests or other duties.

Board Committees

To assist the Board in its oversight of the Group's operations, Emirates Islamic has established four board committees and seven management committees.

Board Credit and Investment Committee

The BCIC consists of four members who meet regularly to review the quality and performance of the credit and investment portfolio of the Group. The BCIC reviews and oversees the effectiveness of the Group's credit and investment risk strategy whilst taking into consideration the risk appetite of the Group. Among other things, the BCIC approves financing strategy and policies, establishes delegated financing authorities and evaluates credit and investment proposals. The BCIC meets weekly or periodically as and when required. In 2022 the BCIC met 41 times.

As at the date of this Base Prospectus, the BCIC members were: Mr. Hesham Abdulla Al Qassim, Mr. Salem Mohammed Obaidalla, Mr. Ali Humaid Al Owais and Mr. Shayne Nelson.

Board Audit Committee

The BAC is responsible for having an oversight over the financial reporting process, system of internal controls over financial reporting, evaluating the adequacy and effectiveness of corporate governance environment, audit process and Emirates Islamic's process for monitoring compliance with laws, regulations (including *Shariah* regulations) and code of conduct. The BAC has a responsibility over financial reporting and external audit by reviewing yearly, half-yearly and quarterly reports and other matters related to external auditors work. The BAC is also responsible for the effectiveness, independence and performance of internal audit function, compliance, internal controls system, *Shariah* audit and *Shariah* control functions. Furthermore, the BAC is also responsible for receiving and reviewing finding from regulatory examinations (including the UAE Central Bank and government auditors) and the timeliness of management actions.

The BAC is attended by the Chief Executive Officer Chief Financial Officer, Head of Internal Audit, Head of Compliance, Head of Internal *Shariah* Control and the Head of *Shariah* Audit, each for Emirates Islamic,

as well as the Group Chief Audit Officer, Chief Compliance Officer and Chief Financial Officer, a member of the Emirates Islamic Internal *Shariah* Supervision Committee for (*Shariah* related matters) and other senior management members attend by invitation. The BAC meets at least quarterly. In 2022, the BAC met four times.

As at the date of this Base Prospectus, the BAC members were: Mr. Salem Mohammed Obaidalla, Mr. Ali Humaid Al Owais and Mr. Shayne Nelson.

Board Risk Committee

The BRC is authorised by, and regularly reports to, the Board in accordance with the functions and powers set out in the BRC's terms of reference. The BRC meets quarterly or periodically as and when required. In 2022, the BRC met four times.

As at the date of this Base Prospectus, the BRC members were: Mr. Ali Humaid Al Owais, Mr. Hesham Abdulla Al Qassim and Mr. Salem Mohamed Obaidalla.

Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee ("**BNRC**") reviews and guides management on strategic human resource decisions relating to executive succession planning, nationalisation strategy, management appointments and remuneration policies. The BNRC ensures that human resource governance within the Group is implemented in a professional and efficient manner. The BNRC meets quarterly or periodically as and when required. In 2022, the BNRC met four times.

As at the date of this Base Prospectus, the BNRC members were: Mr. Buti Obaid Buti Al Mulla, Mr. Ali Humaid Al Owais and Mr. Salem Mohamed Obaidalla.

Board Profit Equalisation Committee ("BPEC")

The BPEC is a Committee of the Board of Emirates Islamic, from which it derives its authority and to which it regularly reports, formed in November 2022. The BPEC Permanent Members comprise two Board Members nominated by the Board and one Internal *Shariah* Supervision Committee ("**ISSC**") Member. In 2022, the BEPC met one time.

As at the date of this Base Prospectus, the BPEC members were: Mr. Hesham Abdulla Al Qassim, Mr. Buti Obaid Buti Al Mulla and Dr. Salim Al Ali, ISSC representative.

Executive Committee

The role of the EXCO is to collectively monitor the performance of the Group and make decisions within the authority limits delegated to it by the Board. The EXCO makes specific recommendations to the Board on decisions that fall outside its delegated authority limits, including day-to-day running of the Group, strategic growth of the Group and implementation of decisions by the Board. The EXCO is chaired by the Chief Executive Officer and comprises eight other executive members. The EXCO meets once every four weeks.

Assets and Liabilities Committee

The role of the ALCO is to monitor and report the Group's liquidity risk profile, market risk exposure (traded and non-traded) as well as capital adequacy. The ALCO is chaired by the Chief Executive Officer and comprises eight other executive members (including two executive members from Emirates NBD). The ALCO meets once a month in the normal course of business and more often if needed.

Management Credit Committee

The role of the MCC is to provide guidance to management on the strategic objectives of the Group. It assesses, approves and recommends facilities, renewal of existing facilities, debt settlement and write-offs, impairments/provisioning and amendments to pricing and ratings, within predetermined parameters. The MCC is chaired by the Chief Executive Officer (or the Head of Credit in the absence of the Chief Executive Officer) and comprises six other executive members. The MCC meets weekly.

Management Investment Committee

The role of the Management Investment Committee ("MIC") is to approve the Group's investments and ensure that an appropriate balance is achieved between risks and rewards. The MIC manages and monitors the Group's investment portfolio to ensure it conforms to the strategic vision of the Group. The MIC also supports in the reporting of the portfolio performance to the Board. The MIC is chaired by the Chief Executive Officer and comprises five other executive members. The MIC meets quarterly.

Holding Company Group Risk Committee

The role of the GRC is to approve all Holding Company Group-wide risk related policies, procedures, risk measurement and methodology (including in respect of the Group). The GRC is chaired by the Holding Company Group Chief Risk Officer (or the Holding Company Group Chief Executive Officer in the absence of the Holding Company Group Chief Risk Officer) and comprises seven other executive members (including the Group's Chief Executive Officer and the Group's Chief Risk Officer). The GRC meets at least six times in a year.

Operational Risk Committee

The role of the Operational Risk Committee ("ORC") is to review the Group's operational risks periodically and to monitor the effectiveness of existing controls to mitigate such risks. The ORC is chaired by the Chief Executive Officer and comprises the Chief Risk Officer as well as all business heads, support function heads and governance and control function heads. The ORC meets quarterly.

Emirates Islamic Internal Shariah Supervision Committee

All transactions that Emirates Islamic undertakes and all products that it offers are strictly Shariah-compliant. Emirates Islamic's objective is to provide the highest standards of Islamic finance and all Emirates Islamic's activities are supervised by the Emirates Islamic Internal Shariah Supervision Committee. Before either the execution of a transaction or the launch of a new product, the terms of the transaction or the product (as applicable) are presented to the Emirates Islamic Internal Shariah Supervision Committee for its approval.

The Emirates Islamic Internal Shariah Supervision Committee is an independent body of Shariah scholars that the General Assembly of Emirates Islamic appoints. Its essential task is to supervise the application of different aspects of Shariah within Emirates Islamic and to ensure (through the Internal Shariah Control and Audit Divisions) that all transactions are undertaken strictly with Shariah. The resolutions and pronouncements of the Emirates Islamic Internal Shariah Supervision Committee are binding on the management and the directors of Emirates Islamic. The Emirates Islamic Internal Shariah Supervision Committee meets periodically as and when required. As of this Base Prospectus, the Emirates Islamic Internal Shariah Supervision Committee comprises the Shariah scholars set out in the following table.

Name	Position
Dr. Mohamed Abdul Rahim Sultan Al Ulama	Chairman and Executive Member
Sheikh Essam Mohamed Ishaq	Vice Chairman

Name	Position
Dr. Mohamed Ali Elgari	Member
Dr. Salim Ali Al-Ali	Member
Dr. Amin Fateh	Member

Dr. Mohamed Abdul Rahim Sultan Al Ulama is a professor of Islamic Studies in the Emirates College and Head of Research and Studies for the Dubai Quran Award. As at the date of this Base Prospectus, he sits on the Shariah board and committees of several Islamic banks and institutions including Dubai Islamic Bank PJSC (UAE), Dar Al Takaful PJSC (UAE) and National Bonds Corporation PJSC (UAE). He holds a PhD in Shariah from Umm Al Qurah (KSA).

Sheikh Essam Mohamed Ishaq is a member of the HSA of the UAE Central Bank. He also serves as the Deputy Chairman of the Governance and Ethics Board of AAOIFI and as a Member of the Supreme Council for Islamic Affairs in the Kingdom of Bahrain. As at the date of this Base Prospectus, he is a chairman and member of the Shariah board and committees of several Islamic banks and institutions including Abu Dhabi Islamic Bank PJSC (UAE). He holds a bachelor's degree in Political Science from McGill University (Canada).

Dr. Mohamed Ali Elgari is a former Professor of Islamic Economic and a former director of the Center for Research in Islamic Economics at King Abdulaziz University, Jeddah, Saudi Arabia. He is a member of the Islamic Jurisprudence Academy of the Organisation of Islamic Cooperation and the Islamic Jurisprudence Academy of the Islamic World League, and a member of the Board of Trustees and a member of the Shariah counsel of AAOIFI. He is also a member of the editorial board of several academic publications in the field of Islamic Finance and Jurisprudence. Dr. Elgari is a chairman and member of the Shariah boards of many Islamic banks and Takaful companies across the world. He has authored several books on Islamic finance and has published many articles on the subject both in Arabic and English. Dr. Elgari is also a frequent speaker in conferences worldwide. Dr. Elgari holds a PhD from the University of California.

Dr. Salim Ali Al-Ali is an assistant professor at the Department of Shariah and Islamic Studies at the College of Law at the United Arab Emirates University where he teaches courses on Islamic law and Islamic banking. Dr. Al-Ali was also formerly a part-time lecturer for the LLM programme at BPP Law School, London. He is a member of the internal Shariah supervisory committees of a number of financial institutions including HSBC Bank plc, First Abu Dhabi Bank PJSC and Emirates NBD. He has participated in a number of international conferences on the law of Islamic finance, Islamic financial products and legal and regulatory aspects of developing Islamic financial markets, including conferences at Harvard University and the University of Cambridge. He also authored a book entitled 'Raising capital on sukuk markets: structural, legal and regulatory issues'. Dr. Al-Ali holds a PhD from the University of London.

Dr. Amin Fateh is currently a member of many Shariah boards and committees in the UAE and across the world, including those of AAOIFI, Emirates NBD, Salama Islamic Arab Insurance Company, Standard Chartered Bank and National Bank of Umm Al Quwain. He has over 23 years' experience in the Islamic banking industry and had led the Islamic Shariah advisory of Minhaj for over 10 years. Dr. Fateh has lectured on Islamic finance across the world and has also provided many training courses on the subject. He holds a bachelor's degree and a master's degree in honorable Hadith and a PhD in Islamic Studies.

Employees

As at 31 December 2022, the Group had a total of 1,636 employees, the majority of whom were full-time employees. Emirates Islamic has no history of industrial disputes and considers its relationship with its employees to be good.

Learning and development

At Emirates Islamic, learning and development is as an integral part of staff self-development, career progression and business growth. Through a blended learning approach, all Group trainings are competency-based, employee-centred, manager-supported and aligned with the Group's Learning strategy. The Group's "Future Ready Skills" program provides targeted learning (grade-specific) across the Group's employees in order to get them ready to take future roles, including leadership development training for all people managers across the group. The Group's business specific training covers a broad range of retail,

corporate and Shariah based training, as well as digital learning solutions and internal certification programmes to support key business priorities & regulatory requirements. In addition, various management, sales and service-based training sessions are provided to the appropriate staff members to encourage capability building and performance enhancement. There are many external training courses are provided with renowned universities across the world and relevant conferences, seminars and workshops are facilitated which benefit the overall Group's learning agenda and staff development.

Remuneration policy

Emirates Islamic provides a competitive total reward policy to attract, motivate and retain high calibre employees to drive performance and growth of the Group's business. The contractual pay consisting of base pay and job based allowances ensure that the pay levels are attractive. The variable pay scheme for employees, in the form of incentives and bonuses, is dependent on performance. Employees are also offered several benefits which are usual in the financial segment of the region, such as family medical insurance/*takaful* and termination benefits.

UAE national pension fund

All UAE nationals employed by the Group participate in the UAE Federal Government sponsored General Pension and Social Security Pension Scheme. The scheme enables members to achieve the maximum pension of 100 per cent. of their salary after 35 years of service.

Emiratisation

In 2017, the UAE Central Bank introduced a point based system which encourages the development and deployment of UAE nationals in critical roles at a variety of levels through hiring, upskilling and job rotation initiatives. Emirates Islamic is committed to achieving the UAE Central Bank "Emiratisation" targets and has implemented corresponding targets across all business and support units as well as specially designed programmes for UAE nationals. Since the implementation of the point based system in 2017, Emirates Islamic has consistently met and exceeded the annual targets set by the UAE Central Bank. Emirates Islamic has exceeded the "Emiratisation" target set by the UAE Central Bank in each of 2022, 2021 and 2020.

At 31 December 2022, 37 per cent. of Emirates Islamic's total employees were UAE nationals. Over 57 per cent. of all executive management roles is held by UAE nationals in leadership and senior management roles across the Group. Over 73 per cent. of the Executive Committee (see "*Management and Employees – Board Committees*") members are UAE nationals and one of the members is an Emirati women.

The Group employed approximately 610 UAE nationals as at 31 December 2022, contributing to approximately 34 per cent. of critical roles as executives or managers. Emirates Islamic plans to continue to increase the percentage of employees, and in particular senior leadership employees, who are UAE nationals in line with the "Emiratisation" policy.

THE UNITED ARAB EMIRATES BANKING SECTOR AND REGULATIONS

Summary

With 50 commercial banks as at 30 November 2022 (comprising 22 local banks and 28 foreign commercial banks) operating in the UAE (*source*: Statistical Bulletin November 2022 (preliminary data), Central Bank), the UAE could be viewed as an over-banked market. Financial and insurance activities accounted for 10.7 per cent. and 10.2 per cent. of Dubai's GDP at constant prices for the first nine months of 2022 and the year ended 31 December 2021, respectively (*source*: Gross Domestic Product at Constant Prices, Dubai Statistics Centre). Within the UAE as a whole, the financial and insurance sector accounted for 8.1 per cent. and 8.2 per cent. of the UAE's GDP at constant prices for the year ended 31 December 2021 and the year ended 31 December 2020, respectively (*source*: Constant GDP, National Account (Estimate), Federal Competitiveness and Statistics Authority).

As a banking regulator, the Central Bank, established in 1980, has grown in stature over the years and is the governing body that regulates and supervises all banks operating in the UAE. The Central Bank monitors banks through its Banking Supervision Department while its Examination Division conducts periodic reviews of banks based on the risk profile of each bank (i.e., risk-based supervision examination). It also reviews all of the returns submitted by the banks to the Central Bank. This regulatory oversight also includes a granular scrutiny of all financial and non-financial returns filed with the Central Bank.

Historically, the Central Bank does not act as a "lender of last resort". Instead, this role tends to fall on the individual Emirs of each Emirate. However, the introduction by the Central Bank in 2014 of the IMLF allows non-Islamic UAE banks to use certain rated or UAE Federal Government entity issued assets as collateral to access Central Bank liquidity overnight in order to help their liquidity management. Additionally, the Central Bank's extension of the spectrum of "Eligible Collateral" under the Collateralised Murabaha Facility allows Islamic banks to access central bank liquidity against collateral as is the case for conventional banks under the IMLF.

Characteristics of the Banking System

Exposure to the oil sector

With much of the national economy directly or indirectly dependent on the oil sector, UAE banks are potentially vulnerable to business erosion during long periods of low oil prices (see further "*Risk Factors – Risk Factors Relating to the Group's Business Activities – The Group is exposed to market risks due to its operations as a financial institution – Oil price volatility and future currency de-pegging could adversely impact the Group's net profit margins and financing costs*" and "*Risk Factors – Risk Factors Relating to the UAE and the Middle East – The UAE's high dependence on oil revenues may adversely affect the Group's business*"). In particular, oil revenues tend to drive levels of liquidity and government infrastructure investment.

Dubai is not a large oil producer, with the mining and quarrying sector accounting for 1.5 per cent. and 1.9 per cent. of Dubai's GDP at constant prices for the first nine months of 2022 and the year ended 31 December 2021, respectively (*source*: Gross Domestic Product at Constant Prices, Dubai Statistics Centre). However, mining and quarrying was one of the largest contributors to the UAE's GDP at constant prices, comprising 27.4 per cent. and 28.7 per cent. of GDP for the years ended 31 December 2021 and 31 December 2020, respectively (*source*: Constant GDP, National Account (Estimate), Federal Competitiveness and Statistics Authority). However, non-oil sectors are gradually gaining ground and the UAE economy is becoming less susceptible to oil price movements.

Historic lack of consolidation

The UAE could be viewed as an over-banked market, even by regional standards. As at 31 December 2021, 49 commercial banks (comprising 22 local banks and 27 foreign commercial banks) operated in the UAE (*source*: Statistical Bulletin November 2022, Central Bank), serving a population estimated to be in the region of 9.99 million in mid-2021 (*source*: Statistical Yearbook 2021 edition, United Nations Department of Economic and Social Affairs, Statistics Division).

Historically, there has been little impetus for consolidation. The federal structure of the UAE has, to some extent, encouraged the fragmented nature of the banking sector, with the individual Emirates wishing to retain their own national banks. Rivalries between large local business families and a desire not to dilute

shareholdings have also hampered the process of consolidation. The relatively small size of most UAE banks has occasionally hindered them from competing for large financing transactions in the region. It also means that they have comparatively small franchises with which to absorb capital costs, such as IT system development.

However, in October 2007, the UAE's then second and fourth largest banks at the time, EBI and National Bank of Dubai PJSC merged to become Emirates NBD PJSC. In October 2010, Dubai Islamic Bank PJSC took a controlling stake of 58.25 per cent. in Tamweel. In 2012, Emirates Islamic merged with Dubai Bank PJSC. The merger of National Bank of Abu Dhabi PJSC and First Gulf Bank PJSC, which was consummated on 30 March 2017, stimulated further movement towards greater consolidation amongst the UAE banks. The merger of Abu Dhabi Commercial Bank PJSC, Union National Bank PJSC and Al Hilal Bank PJSC was completed in May 2019 while, in January 2020, Dubai Islamic Bank PJSC announced the completion of its acquisition of Noor Bank PJSC.

While such continued consolidation would reduce the level of concentration in the domestic banking sector, it could also likely lead to a significant alteration of the competitive environment with fewer, larger locally incorporated banks competing for the larger financing transactions in the region with the foreign banks (which have tended to have comparatively larger franchises) and enabling such local banks to have access to greater infrastructure and resources to absorb capital costs.

Moreover, the UAE's membership of the World Trade Organisation will likely require greater economic liberalisation but it is unclear to what extent this will encourage foreign banks to further expand their presence in the market. In the long-term, however, it is likely to lead to increased competition, which should spur consolidation, both within the UAE and across the region generally.

Domestic focus

Although UAE-incorporated banks are predominantly focused on the domestic market, some have small operations overseas and are showing growing interest in cross-border business, a trend which is likely to continue in the event of further merger activity in the sector.

With a large number of banks competing for a limited number of wholesale lending opportunities, most banks historically turned to retail banking which was a previously untapped market. However, increasing competition in this area has gradually eroded margins and encouraged a relaxation of lending criteria. As the market has been tested only to a limited extent under adverse conditions, it is difficult to predict the future likelihood of asset quality problems.

Expansion of retail operations has required heavy investment in distribution channels, particularly ATM networks, kiosks and telephone and internet banking services. As a consequence, IT costs have been a prominent feature of many UAE banks' expenses.

Limited foreign ownership

In 1987, the UAE Federal Government placed a freeze on new foreign banks opening operations in the UAE. At the same time, existing foreign banks were limited to a maximum of eight branches, which restricted their ability to develop any retail potential. However, three banks with a GCC state origin (i.e., the National Bank of Kuwait S.A.K.P., Samba Financial Group (now Saudi National Bank) and Doha Bank (Q.P.S.C.)) were awarded licences by the Central Bank following an agreement to permit market access to banks of GCC state origin in line with continuing efforts for regional integration.

During 2002, the Government issued a decree establishing the DIFC. The DIFC, located in Dubai, is a free trade zone and financial services centre focusing on private banking, asset management, investment banking, re-insurance activities, Islamic finance, securities trading and back-office operations. The DIFC has its own civil and commercial laws and has been granted authority to self-legislate in civil and commercial cases. The opening of the DIFC has enabled international banks to establish a presence and compete in the wholesale banking market and this has seen new entities entering the market place. In 2013, the Government of Abu Dhabi sought to replicate the success of the DIFC by announcing its intention to establish the Abu Dhabi Global Market in Abu Dhabi (the "ADGM"), as an international financial free zone with its own legal framework (closely based on English common law). The ADGM became operational in mid-2015 and as at 31 December 2020 had 2,932 registered entities.

The 2018 Federal Law amended the minimum permissible shareholding by UAE nationals in UAE banks to 60 per cent.

Islamic banking

Shariah (Islamic) law forbids the charging of interest on any financial transaction. A number of banks have emerged to serve customers who wish to observe this principle. These institutions offer a range of products which, whilst broadly corresponding with conventional banking transactions, are structured in a way which is in compliance with Shariah rules and principles and avoids the application of interest. The UAE is home to numerous institutions offering Islamic banking and financial products, including Abu Dhabi Islamic Bank PJSC, Ajman Bank PJSC, Amlak Finance, Dubai Islamic Bank PJSC, Dubai Islamic Insurance & Reinsurance Company (AMAN), Emirates Islamic, Islamic Arab Insurance Co. (PSC) (Salama), Al Hilal Bank PJSC, Sharjah Islamic Bank PJSC and Tamweel. The number of Islamic banks continues to increase, with both new entrants to the market and existing conventional banks recasting themselves as Islamic banks. In addition, conventional financial institutions often offer Shariah-compliant products.

The 2018 Federal Law requires financial institutions licenced by the Central Bank to operate their business activities in compliance with the rules, standards and general principles established by the HSA and, in certain circumstances, requires such financial institutions to obtain the consent of the HAS before undertaking certain licenced financial activities. The fatwas and opinions issued by the HSA are binding on internal Shariah supervisory committees of Islamic banks in the UAE.

In May 2018, the UAE Securities and Commodities Authority issued Chairman Decision No. 20/R.M. of 2018 on the Offering or Issuance of Islamic Securities (the "ISRs"), in order to add an additional layer of disclosure and transparency to the UAE's sukuk market and strengthen investor protection. The ISRs apply to: (i) domestic issuers of Shariah-compliant securities seeking to offer those securities either within or outside the UAE; and (ii) foreign issuers of certain Shariah-compliant securities seeking to offer those securities into the UAE. The ISRs outline a number of key disclosure requirements that must be included in the offering document, a number of specific requirements in respect of the fatwa as well as the continuing obligations that apply to Shariah-compliant securities, including the provision of an annual Shariah report.

Supervision of banks

The Central Bank's primary roles are to formulate and implement banking, credit, monetary and fiscal policy and to be responsible for ensuring price and currency stability with free convertibility to foreign currencies. It is also the "bank for banks" within the UAE, although it is not the "lender of last resort". In the event of a bank experiencing financial difficulties or a solvency crisis, rescue funds – such as long-term liquidity or equity support – have historically come from the Emirate in which the institution is based. However, in the event of a run on the currency or a major banking crisis, it is likely that the UAE Federal Government would ultimately stand as *de facto* defender of the currency and the "lender of last resort" (see also "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – TESS*").

In 2018, the UAE Federal Government published the 2018 Federal Law replacing Union Law No. 10 of 1980. The 2018 Federal Law grants the Central Bank powers to, among other things:

- draw up and implement monetary policy;
- exercise currency issuance;
- organise licenced financial activities, establish the foundations for carrying them on, and determine the standards required for developing and promoting prudential practices in accordance with the provisions of the 2018 Federal Law and international standards;
- set up appropriate regulations and standards for protection of customers of licenced financial institutions;
- monitor the credit condition in the UAE, in order to contribute to the achievement of balanced growth in the national economy;
- manage foreign reserves to maintain, at all times, sufficient foreign currency assets to cover the monetary base as per the provisions of the 2018 Federal Law; and

- regulate, develop, oversee and maintain soundness of the financial infrastructure systems in the UAE, including electronic payment systems, digital currency and stored value facilities.

Historically, income from overseas investments has been used to fund fiscal deficits, obviating the need for the Central Bank to issue government debt. However, the Central Bank does issue Monetary Bills ("M-Bills") to UAE banks via auction, denominated in UAE dirhams, in order to absorb excess liquidity rather than to meet a specific funding need. The M-Bills programme was launched in January 2021 to replace Central Bank Certificates of Deposit. The secondary market in M-Bills is currently developing but they can be used as collateral for UAE Dirham funding from the Central Bank at any time. In respect of Shariah-compliant certificates of deposit based on murabahas, commercial banks in the UAE are required to comply with Central Bank Notice No. 5802/2010 concerning Shariah-compliant Certificates of Deposit guidelines. The Central Bank has also issued guidelines for collateral management under the Central Bank's Collateralised Murabaha Facility (effective from 1 April 2015) (see further "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – Liquidity – Collateralised Murabaha Facility*").

The UAE dirham is linked to the International Monetary Fund's Special Drawing Right. However, the U.S. dollar is the intervention currency and, in practice, the UAE dirham is pegged to the U.S. dollar. This pegged exchange rate has been in place since the 1980s and has proved to be resilient both to political tensions in the region and to fluctuations in oil prices.

The Central Bank is also responsible for regulating financial institutions in relation to money laundering controls and enforcing Central Bank Notice No. 74/2019 concerning Procedures for Anti-Money Laundering, Central Bank Notice No. 79/2019 concerning standards on Anti-Money Laundering and Federal Decree Law No. 20 of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations. The Central Bank has established a Financial Intelligence Unit and has launched an online filing system which provides an enhanced AML reporting mechanism. In addition, the Central Bank has issued a number of detailed regulatory instructions in respect of AML and procedures.

The UAE further strengthened its legal authority to combat terrorism and terrorist financing by passing Federal Law No. 20 of 2018 on Combating Terrorism Offences, which provided for the establishment of a National Anti-Money Laundering and Counter Financing Terrorism Committee. The Central Bank has also updated its National Risk Assessment for 2019 on Money Laundering and Terrorist Financing (with the updated assessment being posted on the Central Bank's reporting portal). This update explains the methodology applied to assess inherent money laundering and terrorist financing risks in the UAE, the process for such assessment and the results. Financial institutions must ensure full awareness in respect of the updated assessment and must designate employees for ensuring compliance with AML and CTF requirements in the UAE as well as to take necessary steps to include the results of internal AML and CTF risks assessments within relevant reports to the Central Bank.

Although the Central Bank is responsible for regulating all banks, exchange houses, investment companies and other financial institutions in the UAE, the Dubai Financial Services Authority regulates all banking and financial services activities in the DIFC while the ADGM Financial Services Regulatory Authority regulates activity in the financial services sector in the ADGM. The Central Bank has also been growing in stature as a banking supervisor. However, it is hampered in its role by the level of legal autonomy afforded to the individual Emirates, which at times makes it difficult to enforce directives uniformly across the banking sector.

Government involvement

There is a high degree of state involvement in the UAE banking sector. Most of the larger banks in the UAE have some degree of government ownership. Privatisation, though advocated in principle, has been slow to manifest in practice. The state and its related entities are together the banking sector's largest customers, in terms of both deposits and project financing.

Expatriate workforce

The UAE is reliant on overseas labour, with the non-national labour force participation rate being 83.3 per cent. for the year ended 31 December 2019 (compared to the national labour force participation rate of 47.6 per cent.) (*source*: Labour Force Survey, Federal Competitiveness and Statistics Authority). The banking sector is no exception to this and expatriates are employed in senior management of most of the major

banks. This has brought expertise from more developed markets to the sector. However, to ensure increased representation of Emiratis in the UAE financial sector (overall as well as in critical roles) and to support their professional development, the Central Bank has introduced a point based scoring system in 2017 as part of its Emiratisation policy, which takes into account the employment and progression of Emirati employees in the organisation in order to encourage the development and deployment of UAE nationals in critical roles at a variety of levels.

Accounting standards

Since 1 January 1999, all UAE banks have been required to prepare their financial statements in accordance with IFRS. Although this has led to a substantial improvement in disclosure standards, there remains some variability in the quality and depth of disclosure across the banking sector.

Legal environment

There are three primary sources of law in the UAE: (i) federal laws and decrees; (ii) local laws; and (iii) Shariah (Islamic) law. In addition, Emiri decrees can be issued by the Rulers of each of the Emirates which, when issued, have full legal effect and operation in such Emirate. The secondary form of law is trade custom or practice. In the absence of federal legislation on areas specifically reserved to federal authority, the Ruler of a given Emirate or local government will apply his or its own rules, regulations and practices.

Recent Trends in Banking

COVID-19

In 2020, the macro-economic environment (both globally and within the UAE) was materially affected by the COVID-19 pandemic and continues to be affected as at the date of this Base Prospectus. As a result of the economic challenges resulting from the COVID-19 pandemic, credit quality may deteriorate quickly and in excess of existing models for ECL, markets may be highly volatile and there may be a significant drop in overall liquidity levels globally. Although the Central Bank has taken a number of steps to minimise such impact, there can be no assurance as to whether or how quickly the macro-economic environment will recover. Further, such measures may also affect the banking sector adversely. For further information, please see "*Risk Factors – Risk Factors Relating to the Group's Business Activities – The Group is exposed to market risks due to its operations as a financial institution – The Group's business, results of operations, financial condition and prospects may be materially adversely affected by changes in the macro-economic environment following the COVID-19 pandemic*" and "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – TESS*".

In addition to such measures, the HSA issued Resolution No.82/2/2020 concerning COVID-19, and in May 2020, a Joint Guidance on the Treatment of Financial Crime Risks and Obligations in the UAE in the context of the Covid-19 Crisis was issued by the Central Bank, the Dubai Financial Services Authority, the ADGM Financial Services Regulatory Authority, the UAE Securities and Commodities Authority, the Insurance Authority, the UAE Ministry of Justice and the UAE Ministry of Economy. The purpose of this joint guidance is to work with financial institutions and designated non-financial businesses and professions to support the provision of COVID-19 aid and containment efforts whilst remaining vigilant to new and emerging financial crime risks.

TESS

In response to the COVID-19 pandemic, effective from 15 March 2020, the Central Bank implemented the TESS, which included a range of measures aimed at mitigating the economic effects of COVID-19 on the UAE economy (see further "*Risk Factors – Risk Factors Relating to the Group's Business Activities – The Group is exposed to market risks due to its operations as a financial institution – The Group's business, results of operations, financial condition and prospects may be materially adversely affected by changes in the macro-economic environment following the COVID-19 pandemic*"). The measures introduced by the TESS expired on 30 June 2022.

Further measures to support the UAE economy in response to COVID-19

The TESS was accompanied by other stimulus measures, including:

- the reduction of interest rates;

- decreasing the Central Bank's minimum reserve requirement for all current, call and savings deposits from 14 per cent. to 7 per cent.;
- postponing the planned implementation of certain Basel III capital requirements from 30 June 2021 to 30 June 2022; and
- allowing banks to apply a prudential filter to IFRS 9 expected loss provisions. The prudential filter will allow any increase in IFRS 9 provisioning compared to 31 December 2019 to be partially added back to regulatory capital. This will allow IFRS 9 provisions to be gradually phased-in over a five year period until 31 December 2024.

Profitability

The UAE continues to strive towards increasing economic diversification away from the oil and gas sector. Nevertheless, with the oil and gas sector being a significant contributor to the UAE's GDP (see further "*The United Arab Emirates Banking Sector and Regulations – Characteristics of the Banking System – Exposure to the oil sector*"), the price of oil has a direct impact on government fiscal revenues and the level of investment in government projects.

The high oil prices and strong economic conditions experienced in the UAE between 2004 and 2008 allowed UAE banks to expand significantly. However, much of this growth focused on the real estate sector and equity financing which, in the context of the 2008 global financial crisis, represented a significant risk to the UAE banking system.

With the improvement in global and regional economic growth, better liquidity conditions and higher foreign direct investment, the banking sector in the UAE had recovered well by the end of 2019 and continued to generate profits, albeit at a more moderate and sustainable pace. Regulatory developments and increased compliance requirements also moderated growth in the profitability of the UAE banking sector. In 2020, the macro-economic environment (both globally and within the UAE) was materially affected by the COVID-19 pandemic (see further "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – COVID-19*") with global GDP contracting by 3.1 per cent and UAE GDP contracting by 4.8 per cent. (*source*: Central Bank, Annual Report 2021). However, global GDP grew by 5.9 per cent. and real GDP in the UAE grew by 3.8 per cent. in 2021 (*source*: Central Bank, Annual Report 2021). In 2022 global GDP growth dropped to 2.9 per cent. whereas real GDP growth in the UAE reached 5.1 per cent. in 2022 (*source*: International Monetary Fund). In 2023, global GDP growth is expected to drop to 2.7 per cent. whereas real GDP growth in the UAE is expected to drop to 4.2 per cent. (*source*: International Monetary Fund).

Liquidity

The Central Bank closely monitors the level of liquidity in the banking system. It also requires that banks have in place adequate systems and controls to manage their liquidity positions, as well as contingency funding plans to cope with periods of liquidity stress.

Banks must also adhere to a maximum financings/loan to deposit ratio of 100 per cent. set by the Central Bank. In this context, "**loans**" comprise financings/loans and advances to customers and interbank assets maturing after three months.

UAE banks are mostly funded through on demand or time-based customer deposits made by private individuals or private sector companies. According to data made available by the Central Bank, together, demand and time deposits constituted approximately 85.1 per cent. of total resident and non-resident deposits (excluding government deposits, commercial prepayments and borrowings under repurchase agreements) while resident and non-resident government deposits (including GRE deposits) and non-banking financial institutions constituted approximately 28.7 per cent. and 6.2 per cent., respectively, of total deposits of the UAE banking sector (excluding interbank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements) as at 31 December 2021. Non-resident sources constituted approximately 11.6 per cent. of total deposits within the UAE banking sector (excluding interbank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements) as at the same date (*source*: Central Bank Statistical Bulletin January 2022).

In response to the 2008 global financial crisis, the Central Bank announced a number of measures aimed at ensuring that adequate liquidity is available to banks operating in the UAE. In September 2008, the Central Bank established an AED 50.0 billion liquidity facility which banks can draw upon subject to posting eligible debt securities as collateral. The liquidity facility is available only for the purpose of funding existing commitments. New lending/financing is required to be based on growth in the customer deposit base. The Central Bank also established a CD repurchase facility under which banks can use CDs as collateral for dirham or U.S. dollar funding from the Central Bank.

In addition to these measures, the UAE Federal Government also provided AED 50.0 billion in deposits to UAE banks (as part of a larger AED 70.0 billion package) which, at the option of the banks, can be converted into Tier 2 capital in order to enhance capital adequacy ratios. A number of banks in the UAE exercised this option and converted the UAE Federal Government deposits made with them into Tier 2 capital. Further, banks can access funds through the IMLF.

During 2008, Government-owned institutions assisted certain Abu Dhabi banks in strengthening their capital base through the subscription of mandatory convertible securities and, in February 2009, the Government of Abu Dhabi (acting through the Department of Finance) subscribed for, in aggregate, a sum of AED 16.0 billion in subordinated Tier 1 capital notes issued by the five largest Abu Dhabi banks: Abu Dhabi Commercial Bank PJSC, Abu Dhabi Islamic Bank PJSC, First Gulf Bank PJSC (now First Abu Dhabi Bank PJSC following its merger with National Bank of Abu Dhabi PJSC), National Bank of Abu Dhabi PJSC (now First Abu Dhabi Bank PJSC following its merger with First Gulf Bank PJSC) and Union National Bank PJSC.

In 2009, the Department of Finance of the UAE Federal Government established a U.S.\$20.0 billion funding programme and the first tranche, valued at U.S.\$10.0 billion with a five year tenure and paying a coupon rate of four per cent. per annum, was issued in its entirety to the Central Bank. In November 2009, a second U.S.\$5.0 billion tranche was fully subscribed equally by Al Hilal Bank PJSC and National Bank of Abu Dhabi PJSC.

In line with Basel III requirements, the Central Bank has issued Central Bank Notice No. 33/2015 on liquidity requirements (which was issued by the Central Bank on 27 May 2015 and which was effective from 1 July 2015, replacing Central Bank Notice No. 30/2012) (the "**Liquidity Notice**"). The Liquidity Notices includes a set of qualitative and quantitative liquidity requirements for UAE banks. The qualitative requirements elaborate on the responsibilities of a UAE bank's board of directors and senior management as well as the overall liquidity risk management framework. These regulations are intended to ensure that liquidity risks are well managed at banks operating in the UAE and are in line with the Basel Committee's recommendations and international best practices. These requirements include the following:

Responsibilities of the board of directors

- to bear ultimate responsibility for liquidity risk management within the relevant UAE bank;
- to be familiar with liquidity risk management with at least one board member having a detailed understanding of liquidity risk management; and
- to ensure the clear articulation of liquidity risk tolerance in line with the relevant UAE bank's objectives, strategy and risk appetite.

Responsibilities of senior management

- to develop strategies, policies and practices to manage liquidity risk in accordance with the liquidity risk tolerance set by the board of directors;
- to review the UAE bank's strategy and to report to the board of directors on regulatory compliance on a regular basis; and
- to manage liquidity risk in a prudent manner using all available liquidity risk management tools.

Liquidity risk management framework

The Liquidity Notice requires each UAE bank to have a robust liquidity risk management framework which comprises the following elements:

- sound processes and systems to identify, measure, monitor and control liquidity risk in a timely and accurate manner;
- a robust liquidity risk management framework (which must be shared with the Central Bank upon request) with limits, warning indicators, communication and escalation procedures;
- regular internal stress testing of the portfolio for a variety of scenarios (both institution-specific and market-wide); results being communicated to the board of directors and the Central Bank on request;
- incorporation of liquidity costs, benefits and risks into product pricing and approval processes;
- establishment of a forward-looking funding strategy with effective diversification of funding sources and tenors;
- setting of formal contingency funding plans which clearly set out strategies for addressing liquidity shortfalls in emergency situations (and which must be shared with the Central Bank upon request);
- establishment of an adequate cushion of unencumbered, highly liquid assets as insurance against a range of liquidity stress scenarios; and
- a transfer pricing framework (which is commensurate with the bank's liquidity risk tolerance and complexity) developed to reflect the actual cost of funding.

The quantitative requirements set out in the Liquidity Notice are intended to ensure that each UAE bank holds a minimum level of liquid assets which allow it to sustain a short-term liquidity stress (in circumstances both specific to that bank and market wide). These include the following:

	<u>Ratio</u>	<u>Applicability period</u>
Basel III ratios:	Liquidity Coverage Ratio (LCR > 100%)	1 January 2019 onwards
	Net Stable Funding Ratio (NSFR < 100%)	1 January 2018 onwards

The LCR represents a 30 days stress scenario with combined assumptions covering both bank specific and market wide stresses. These assumptions are applied to contractual data representing the main liquidity risk drivers at banks to determine cash outflows within the 30 days stress scenario. The LCR requires that UAE banks should always be able to cover the net cash outflow with high-quality liquid assets ("**HQLAs**") at the minimum LCR determined by the Central Bank. The Basel III accord requires that this minimum is 100 per cent. The Liquidity Notice describes in detail eligible HQLAs for this purpose. See "*Risk Factors – Risk Factors Relating to the Group's Business Activities – The Group is exposed to liquidity risks due to its operations in the global financial markets*" and "*Risk Management*" for more information.

As part of the Central Bank's gradual implementation of the Basel III reforms in the UAE, the Central Bank introduced LCR in a phased manner, setting an initial benchmark of 60 per cent. upon commencement of LCR compliance, increasing to 100 per cent. as of 1 January 2019. This graduated approach was designed to ensure that the LCR could be introduced without disruption to the orderly strengthening of banking systems or the ongoing financing of economic activity in the UAE.

The advances to stable resources ratio (the "**ASRR**") is an interim ratio which applies to UAE banks until they become subject to the NSFR (as described below). The ASRR identifies key uses of funds as well as the different types of funding sources used by banks. It assigns stability factors to the sources of funds and required stable funding (usage) factors to asset classes. After applying the relevant factors, the net uses of funds is divided by the net sources of funds and the result should be less than 100 per cent.

The net stable funding ratio ("NSFR") is a structural ratio that aims to ensure that banks have adequate stable funding to fund the assets on their balance sheets. It also requires an amount of stable funding to cover a portion of the relevant UAE banks contingent liabilities. The NSFR in the UAE mirrors the Basel III NSFR standard. The NSFR identifies the key uses of funds and the different types of funding sources used by the UAE banks. It assigns available stable funding ("ASF") factors to the sources of funds and required stable funding (usage) factors to asset classes and off-balance sheet contingent exposures. The assigned ASF factor depends on the terms of funding and the perceived stability of the funding sources. The assigned ASF factor will depend on the liquidity of the asset being funded under a market-wide stress. Both factors will follow the Basel III NSFR standard. The NSFR minimum is 100 per cent.

Collateralised Murabaha Facility

On 22 June 2011, the Central Bank announced that it would be offering a Collateralised Murabaha Facility ("CMF") to banks in the UAE to provide a source of liquidity to banks. On 22 March 2015, the Central Bank extended the spectrum of "Eligible Collateral" for the existing Collateralised Murabaha Facility to include Shariah-compliant securities (effective from 1 April 2015). Islamic banks operating in the UAE, such as Emirates Islamic, can access funds from the Central Bank on an overnight basis by posting eligible securities as collateral.

Contingent Liquidity Insurance Facility

On 1 March 2022, the Central Bank introduced the Contingent Liquidity Insurance Facility ("CLIF") which allows UAE banks, in the event of stress, to use certain rated securities to access Central Bank liquidity on an overnight or term basis to help their liquidity management during times of market stress.

Position of depositors

There is no formal deposit protection scheme in the UAE. While no bank has, so far, been permitted to fail, during the 1980s and early 1990s a number were restructured by the relevant government authorities. In October 2008, in response to the global financial crisis, the UAE Federal Government announced that it intended to guarantee the deposits of all UAE banks and foreign banks with core operations in the UAE and a draft law guaranteeing federal deposits was approved by the UAE's National Federal Council in May 2009. In addition, the 2018 Federal Law provides that the board of directors of the Central Bank may issue regulations for the protection of deposits and the rights of depositors. However, until such time as any such law or regulations are passed, there is no guaranteed government support.

Prudential regulations

The Central Bank has supervisory responsibility for banking institutions in the UAE. Supervision is carried out through on-site inspections and review of periodic submissions from the banks. The frequency of inspection depends on the perceived risk of the bank, but inspections are carried out in all banks in accordance with the Central Bank's enforcement policy. Prudential returns are made monthly, quarterly, semi-annually or annually, depending on the nature of the information they contain.

Capital adequacy

All banks are required to follow the principles of the Basel accord in calculating their capital adequacy ratios. Basel II was introduced effective 17 November 2009 by way of Central Bank Circular No. 27/2009. Since 1993, the Central Bank had imposed a 10 per cent. minimum total capital ratio on all UAE banks. In a circular dated 30 August 2009, the Central Bank announced amendments to its capital adequacy requirements, such that UAE banks were required to have a total capital adequacy ratio of at least 11 per cent., with a Tier 1 ratio of not less than 7 per cent., by 30 September 2009. Furthermore, the Central Bank required banks operating in the UAE to increase their Tier 1 capital adequacy ratio to at least 8 per cent., with a minimum total capital adequacy ratio of at least 12 per cent., by 30 June 2010. Thereafter, through its circular dated 17 November 2009 introducing Basel II, the Central Bank stated that it was expected that the main banks in the UAE would move to the Foundation Internal Rating Based approach under Basel II in due course. Through this circular, the Central Bank reiterated that all banks operating in the UAE were required to maintain a minimum capital adequacy ratio of 11 per cent. at all times, increasing to 12 per cent. by 30 June 2010 and also laid out its expectations in relation to Pillar II and Pillar III of the Basel II framework. Profits for the current period, goodwill, other intangibles, unrealised gains on investments and any shortfall in financing/loan loss provisions were deducted from regulatory capital.

As part of the introduction of Basel III in the UAE, on 23 February 2017 the Central Bank published the "Regulations re Capital Adequacy" (the "**February 2017 Regulations**") in the Official Gazette issue 612, which were effective from 1 February 2017. The February 2017 Regulations are supported by accompanying standards entitled "Standards for Capital Adequacy of Banks in the UAE" which were published by the Central Bank on 12 November 2020 by virtue of Notice No. CBUAE/BSD/N/2020/4980 (the "**Capital Standards**"). Banks which are classified as DSIBs by the Central Bank will be required to hold additional capital buffers as notified to it by the Central Bank. In addition, a bank may also be subject to additional capital add-on requirements following a supervisory review and evaluation process of the Central Bank. Emirates Islamic is required by the Central Bank to maintain a minimum total capital adequacy ratio of 13.0 per cent.

Whilst the calculation of capital adequacy ratios in the UAE follows the Bank of International Settlements guidelines, claims on or guaranteed by GCC central governments and central banks and claims on GCC government non-commercial public sector entities are risk-weighted in accordance with the prescribed guidelines.

Reserve requirements

Reserve requirements are used by the Central Bank as a means of prudential supervision and to control credit expansion. The reserve requirements set a mandatory cash reserve of 7 per cent. of all current, call and savings deposits and 1 per cent. of all time deposits, respectively, based on average balances calculated on a fortnightly basis.

Credit controls

Banks are required by the Central Bank to establish credit policies and procedures commensurate with their size and activities. They must also have a proper credit assessment and approval process and adequate controls in place to monitor credit concentrations to, among others, individual borrowers/obligors, economic sectors and foreign countries.

Central Bank circular on retail banking dated 23 February 2011 (the "**Retail Circular**") and Notice No. 31/2013 dated 28 October 2013 (which was published in the Official Gazette on 28 November 2013 and was effective from 28 December 2013 and was subsequently amended via Central Bank Notice No. 1799/2020 on 8 April 2020) (the "**Mortgage Regulations**") introduced regulations regarding bank financings/loans and other services offered to individual customers. These regulations, among other things, impose maximum loan or financing/income and loan or financing to value ratios for retail products. For example, the Retail Circular requires that the amount of any personal consumer loan/finance shall not exceed 20 times the salary or total income of the borrower/obligor with the repayment period not exceeding 48 months. The Mortgage Regulations provide that the amount of mortgage loans/financings for non-nationals should not exceed 80 per cent. of the property value for a first purchase of a home with a value of less than AED 5 million and, for a first purchase of a home with a value greater than AED 5 million, should not exceed 70 per cent. of the property value. For the purchase of a second or subsequent home, the limit for non-nationals is set at 60 per cent. of the property value (irrespective of the value of the property in question). The corresponding limits for UAE nationals are set at 85 per cent. in respect of a first purchase of a home with a value less than or equal to AED 5 million, 75 per cent. for a first home with a value greater than AED 5 million and 65 per cent. of the property value for a second or subsequent purchase (irrespective of the value of the property).

Large exposures

The Central Bank defines large exposures as any funded or unfunded exposures (less provisions, cash collaterals and deposits under lien) to a single borrower/obligor or group of related borrowers/obligors exceeding prescribed limits.

On 11 November 2013, the Central Bank published Central Bank Notice No. 32/2013 on large exposures (the "**Large Exposure Notice**") amending certain of the large exposure limits. The Large Exposure Notice introduced new limits of 100 per cent. of the bank's capital base for all lending/financing to UAE local governments and their non-commercial entities, together with a 25 per cent. limit to any single such non-commercial entity. Exposures above these limits are subject to approval by the Central Bank. Set out below is a table setting out the exposure limits prescribed by the Large Exposure Notice (defined as a percentage of the bank's capital base calculated under Basel II):

	Individual	Aggregate
UAE Federal Government.....	Not applicable	Not applicable
UAE local government and its non-commercial entities	No cap for UAE local government; 25% for each non-commercial entity	100%
Commercial entities of UAE Federal Government and UAE local government	25%	100%
A single borrower or a group of related borrowers.....	25%	Not applicable
Shareholders who own 5% or more of the bank's capital and related entities.....	20%	50%
Domestic interbank exposures (over one year).....	30%	Not applicable
Overseas interbank exposure (over one year).....	30%	Not applicable
Exposure to bank's subsidiaries and affiliates.....	10%	25%
Board members.....	5%	25%
Bank's employees.....	Maximum 20 months' salary	3%

Provisions for loan/financing losses

For UAE banks, IFRS 9 was introduced for financial reporting periods commencing on 1 January 2018, replacing IAS 39 and introducing an ECL model for the measurement of the impairment of financial assets such that it is no longer necessary for a credit event to have occurred before a credit loss is recognised. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. IFRS 9 provision uses a three stage approach in recognising increased credit risk at each stage of risk (i.e., stage 1 for current facilities, stage 2 for significant increase in credit risk and stage 3 for impaired loans/financing).

As part of the Central Bank's stimulus package in response to the COVID-19 pandemic, banks are able to apply a prudential filter to IFRS 9 expected loss provisions. The prudential filter will allow any increase in IFRS 9 provisioning compared to 31 December 2019 to be partially added back to regulatory capital. This will allow IFRS 9 provisions to be gradually phased-in over a five-year period until 31 December 2024 (see further "*The United Arab Emirates Banking Sector and Regulations – Recent Trends in Banking – TESS*").

Establishing a credit bureau in the UAE

Al Etihad Credit Bureau (the "AECB") is a UAE Federal Government company specialised in providing UAE-based credit reports and other financial information. AECB commenced operations in 2014 upon receiving formal approval from the UAE Cabinet of its regulations and its charges for producing credit reports. AECB has approached all UAE-based banks to sign data sharing agreements to enable the provision of customer credit information, with the majority having entered into such agreements and/or made successful initial data submissions to AECB by the time AECB commenced operations.

The implementation of regulations for the sharing of credit report data and the commercial operation of the UAE's first credit bureau is expected to reduce the risk involved in the origination of customer lending and banking business generally.

Capital Markets

The capital markets in the UAE are regulated by a number of entities, including the Emirates Securities and Commodities Authority (the "SCA"), which licences intermediaries to trade on the DFM and the ADX. The SCA is a federal government organisation but has financial, legal and administrative independence.

The other significant stock exchange in the UAE is Nasdaq Dubai (formerly known as the Dubai International Financial Exchange) which commenced operations in September 2005 and, as an entity based in the Dubai International Financial Centre, is separately regulated.

Dubai Financial Market

The DFM, which is now, along with Nasdaq Dubai, owned by Borse Dubai, was established by the Government in 2000 as an independent entity and operates as a market for the listing and trading of shares, bonds and investment units issued by companies, investment funds and other local or foreign financial institutions that conform to its listing requirements.

The DFM was upgraded to the MSCI Emerging Markets Index with effect from 1 June 2014 which has led to an increase in interest and investment from international institutional investors in Dubai.

The following table sets out the number of traded shares, the value of traded shares, and the number of executed transactions on the DFM and the closing price of the DFM Index as at 31 December in each of the years 2017 to 2021:

	2017	2018	2019	2020	2021
Number of traded shares (<i>billions</i>)	82.5	45.4	40.0	65.5	50.0
Value of traded shares (<i>AED billions</i>).....	115.1	59.7	53.1	65.6	72.3
Executed transactions (<i>thousands</i>)	1,100.0	660.3	657	978	874
Market capitalisation (<i>AED billions</i>).....	394.0	343.3	375.0	340.1	410.0
DFM General Index year-end closing price	3,370.07	2,529.75	2,764.86	2,491.97	3,195.91

Sources: Dubai Statistics Centre, DFM.

Nasdaq Dubai

Nasdaq Dubai (formerly known as the Dubai International Financial Exchange or DIFX) commenced operations in September 2005. On 22 December 2009, DFM announced that it had made an offer to Borse Dubai Limited and the Nasdaq OMX Group to acquire Nasdaq Dubai. The offer was valued at U.S.\$121 million and comprised U.S.\$102 million in cash and 40 million DFM shares. The merger was approved by Borse Dubai Limited and the OMX Group and was completed on 11 July 2010. Subsequent to the transaction, both Nasdaq Dubai and DFM are operating as two distinct markets that are subject to different regulatory frameworks. Nasdaq Dubai is regulated by the Dubai Financial Services Authority and the DFM is regulated by the SCA.

Nasdaq Dubai's standards are comparable to those of leading international exchanges in New York, London and Hong Kong. Nasdaq Dubai allows regional and international issuers access to regional and international investors through primary or dual listings. Investors can access Nasdaq Dubai through a unique mix of regional and international brokers.

Nasdaq Dubai currently lists equities, equity derivatives, Dubai gold securities, structured products, sukuk and conventional bonds. During 2021, Nasdaq Dubai listed 16 sukuk with a total nominal value of about U.S.\$11.9 billion, maintaining its position as one of the world's largest exchanges for sukuk.

Equity listings on Nasdaq Dubai include Depa plc, Emirates REIT, Hikma Pharmaceuticals and Orascom Construction Limited.

The following table sets out the number of traded shares, the value of traded shares and the number of executed transactions on Nasdaq Dubai, the market capitalisation of Nasdaq Dubai and the closing price as at 31 December of the FTSE Nasdaq Dubai UAE 20 Index (which tracks 20 liquid stocks listed on the DFM, the Abu Dhabi Securities Exchange and Nasdaq Dubai) in each of the years 2017 to 2021:

	2017	2018	2019	2020	2021
Trading volume (<i>millions</i>)	273.2	164.6	150.8	189.3	34.9
Trading value (<i>AED millions</i>).....	4,883.7	4,234.4	5,920.9	5,745.9	78.1
Number of transactions	29,518	26,882	40,724	16,345	1,518
Market capitalisation (<i>AED millions</i>)	82,821.9	57,495.8	44,220.0	3,435.8	2,989.8
FTSE Nasdaq Dubai UAE 20 year-end closing price .	3288.69	3074.32	3,184.38	3,061.74	4,284.70

Sources: Dubai Statistics Centre, Nasdaq Dubai.

Notes:

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. Capitalised terms not defined in this section have the meaning given to such term in the Conditions and/or the Transaction Documents. Copies of the Transaction Documents will be available for inspection as set out under "*General Information – Documents Available*".

Master Purchase Agreement, as supplemented by each Supplemental Purchase Agreement

The Master Purchase Agreement will be entered into on or around the date of this Base Prospectus between the Trustee (in its capacity as purchaser, the "**Purchaser**") and the Obligor (in its capacity as seller, the "**Seller**") and will be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. A Supplemental Purchase Agreement between the same parties will be entered into on the Issue Date of each Tranche and will also be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE.

Pursuant to each Supplemental Purchase Agreement, the Seller will sell to the Purchaser, and the Purchaser will purchase from the Seller the Initial Wakala Portfolio (as defined in the Master Purchase Agreement) together with the transfer and assignment by the Seller to the Purchaser of all of the Seller's rights, title, interests, benefits and entitlements, present and future, in, to and under the Initial Wakala Assets which comprise the Initial Wakala Portfolio for the Purchase Price.

Service Agency Agreement

The Service Agency Agreement will be entered into on or around the date of this Base Prospectus between the Trustee and the Obligor (in its capacity as Service Agent) and will be governed by English law.

Services

Pursuant to the Service Agency Agreement, the Trustee will appoint the Service Agent to service the Sukuk Portfolio relating to each Series. In particular, the Service Agent shall, in relation to each Series, provide, amongst other things, the following services (the "**Services**") as agent of the Trustee, during the Ownership Period:

- (i) it shall complete the scope of services substantially in the form set out in Schedule 1 (*Service Agency Scope*) of the Service Agency Agreement (the "**Service Agency Scope**") on the Issue Date of the first Tranche under that Series upon receipt from the Trustee of the relevant Supplemental Purchase Agreement;
- (ii) if the Trustee issues Additional Certificates in accordance with Condition 21 (*Further Issues*) in respect of an existing Series, it shall as soon as practicable after such issuance amend the Service Agency Scope for that Series to take into account the issuance of such Additional Certificates;
- (iii) it shall service the relevant Sukuk Portfolio in accordance with the Service Agency Scope and the terms of the Service Agency Agreement;
- (iv) it shall ensure that on the Issue Date of the first Tranche of the relevant Series, the Value of the Wakala Assets comprised in the Sukuk Portfolio shall be equal to no less than 51 per cent. of the face amount of the Certificates for that Series. For the purposes of this paragraph (iv), "Value" in respect of any Tangible Sukuk comprised in the relevant Wakala Assets shall be deemed to be the product of (a) the outstanding face amount of such Tangible Sukuk; and (b) the Tangibility Requirement of such Tangible Sukuk;
- (v) it shall ensure that the Tangibility Ratio shall, at all times following the Issue Date of the first Tranche of the relevant Series, be more than 50 per cent. and if, at any time, the Tangibility Ratio falls:
 - (a) to 50 per cent. or less (but is 33 per cent. or more), the Service Agent shall take any and all steps as may be required by the Emirates Islamic Internal Shariah Supervision Committee to ensure such Tangibility Ratio is restored to more than 50 per cent. within

the time period determined by the Emirates Islamic Internal Shariah Supervision Committee; and

- (b) below 33 per cent. (such event, being a "**Tangibility Event**"), within 10 Business Days of the Service Agent becoming aware of the occurrence of the Tangibility Event, the Service Agent shall send a Tangibility Event Notice notifying the Trustee and the Delegate of such occurrence and requesting the Trustee to promptly deliver a notice to the Certificateholders (a "**Delisting Notice**") in accordance with Condition 18 (*Notices*), specifying that:
- (i) a Tangibility Event has occurred, together with an explanation of the reasons for, and evidence of, such occurrence;
 - (ii) as determined in consultation with the Emirates Islamic Internal Shariah Supervision Committee, the Certificates shall be tradable only in accordance with the Shariah principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis);
 - (iii) on the date falling 15 days following the Tangibility Event Redemption Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates have been admitted to listing or if such date is not a business day, the next following business day ("business day" being, for this purpose, a day on which the stock exchange on which the Certificates are admitted to listing is open for business); and
 - (iv) the Tangibility Event Put Right Period, during which period any Certificateholder shall have the option to require the redemption of all or any of its Certificates.

A failure by the Service Agent to comply with the obligations set out in this paragraph (b) (except for the delivery of the Tangibility Event Notice) shall not constitute an Obligor Event;

- (vi) it shall use its reasonable endeavours, in the event that there are Principal Revenues standing to the credit of the Principal Collection Account which are not to be promptly transferred to the Transaction Account, to the extent that Emirates Islamic Bank PJSC has Eligible Wakala Assets (as defined in the Master Purchase Agreement) available for sale to the Trustee, to notify the Trustee of:
- (a) the amount standing to the credit of the Principal Collection Account which can be used by the Trustee for the purposes of purchasing the Eligible Wakala Assets as selected by Emirates Islamic Bank PJSC (for a purchase price not greater than the Value of such Eligible Wakala Assets); and
 - (b) the details and Value of such proposed Eligible Wakala Assets,
- to allow the Trustee to have sufficient information to enable it to exercise the Purchase Undertaking;
- (vii) it shall do all acts and things (including execution of such documents, issue of notices and commencement of any proceedings) that it considers (and without the need for the consent of the Trustee) reasonably necessary to ensure the assumption of, and compliance by each Asset Obligor with its covenants, undertakings or other obligations under the Asset Contract to which it is a party in accordance with applicable law and the terms of the Asset Contract, in each case in respect of the Wakala Assets;
- (viii) it shall discharge or procure the discharge of all obligations to be discharged by Emirates Islamic (in whatever capacity) in respect of any of the Wakala Assets under all Asset Contracts, it being acknowledged that the Service Agent may appoint one or more agents to discharge these obligations on its behalf;

- (ix) it shall pay on behalf of the Trustee any actual costs, expenses, actual losses and Taxes which would otherwise be payable by the Trustee as a result of the Trustee's ownership of the Wakala Assets;
- (x) it shall use all reasonable endeavours to ensure the timely receipt of all Portfolio Revenues, investigate non-payment of Portfolio Revenues and generally make all reasonable efforts to collect or enforce the collection of such Portfolio Revenues under all Asset Contracts as and when the same shall become due;
- (xi) it shall ensure that all Income Revenues are received free and clear of, and without withholding or deduction for, Taxes;
- (xii) it shall maintain the Principal Collection Account, the Income Collection Account and the Reserve Account, in each case in accordance with the Service Agency Agreement;
- (xiii) it shall obtain all necessary authorisations in connection with any of the Wakala Assets and its obligations under or in connection with the Service Agency Agreement;
- (xiv) it shall procure that the legal title to the Wakala Assets is held by Emirates Islamic (in its capacity as seller) for and on behalf of the Trustee for so long as such Wakala Assets are comprised within the Sukuk Portfolio;
- (xv) it shall use its reasonable endeavours to ensure that all Asset Obligors in respect of Tangible Assets maintain industry standard insurances and fulfil all structural repair and major maintenance obligations in respect of the relevant Tangible Assets (each in accordance with the terms of the relevant Asset Contracts relating to the Tangible Assets);
- (xvi) it shall notify the Trustee promptly if any Wakala Asset comprised in the Wakala Portfolio of the relevant Series ceases to be an Eligible Wakala Asset, (the occurrence of such event or circumstance being an "**Impaired Wakala Asset Event**"); and
- (xvii) it shall, together with any notice delivered in accordance with paragraph (xv) above, notify the Trustee of the availability (if any), together with all necessary details, of any Eligible Wakala Assets for the purposes of substituting the Wakala Asset in respect of which an Impaired Wakala Asset Event has occurred in accordance with the terms of the Purchase Undertaking.

The Service Agent shall undertake in the Service Agency Agreement, in relation to each Series, that it shall maintain actual or constructive possession, custody or control of all of the Wakala Assets comprising the Wakala Portfolio during the Ownership Period, provided that (i) it is legally possible for the Service Agent to so maintain; and (ii) such maintenance shall not result in a breach of the terms of the relevant Asset Contracts.

The Service Agent shall provide the Services in relation to the Sukuk Portfolio in accordance with all applicable laws and regulations and in accordance with generally accepted Shariah principles (including the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) Shariah Standards and the resolutions of the United Arab Emirates Higher Shariah Authority).

Issue of additional Tranche of Certificates

The parties to the Service Agency Agreement have also agreed that in the event that: (i) the Trustee has exercised its rights under Condition 21 (*Further Issues*) to issue an additional Tranche of Certificates under an existing Series; and (ii) in connection with such additional Tranche, the Trustee and the Obligor have entered into: (a) an Additional Assets Sale Agreement pursuant to which the Obligor has sold to the Trustee all of its rights, title, interest and benefit in and to certain Additional Assets; and/or (b) a Commodity Murabaha Investment pursuant to the Master Murabaha Agreement, any such Additional Assets shall, on the date of that Additional Assets Sale Agreement, be automatically, without any further action on the part of any party, commingled with the existing Wakala Portfolio of the relevant Series and the existing Wakala Assets together with such Additional Assets shall comprise the Wakala Portfolio of that Series, and will be commingled together with any new and/or existing Commodity Murabaha Investment to form the Sukuk Portfolio for that Series.

Service Agent's fee

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 adequacy of which will be acknowledged by the Service Agent under the Service Agency Agreement) and may also receive incentive payments as described below.

Collection Accounts

In relation to each Series, the Service Agent will maintain three book-entry ledger accounts (such accounts being the "**Principal Collection Account**", the "**Income Collection Account**" and the "**Reserve Account**") in its books in which all Portfolio Revenues will be recorded. All Portfolio Revenues in relation to each Series will be recorded:

- (i) if any such amounts comprise Income Revenues, in the Income Collection Account; and
- (ii) if any such amounts comprise Principal Revenues, in the Principal Collection Account.

The Service Agent will be entitled to deduct amounts standing to the credit of the Income Collection Account of each Series at any time during the relevant Ownership Period and to use such amounts for its own account, provided that any Income Revenues so deducted are re-credited to the Income Collection Account on or prior to each relevant Distribution Determination Date for the purposes of application by the Service Agent as set out below.

Amounts standing to the credit of the Income Collection Account of each Series will be applied by the Service Agent on each "**Distribution Determination Date**" (being the Business Day immediately prior to the relevant Periodic Distribution Date under the Certificates of the relevant Series) in the following order of priority:

- (a) *first*, in payment 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 on behalf of the Trustee of any due but unpaid Service Agent Liabilities Amounts in respect of the Distribution Period ending immediately before the immediately following Distribution Date and (if applicable) any Service Agent Liabilities Amounts for any previous 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 Periodic Distribution Date falling one (1) Business Day after such Distribution Determination Date and the balance of the Income Collection Account; and
- (d) *fourth*, if any amounts are still standing to the credit of the Income Collection Account immediately following payment of all of the above amounts, such amounts shall be debited from the Income Collection Account and credited to the Reserve Account.

Amounts standing to the credit of the Reserve Account of each Series shall be applied by the Service Agent as follows:

- (1) if there will be a shortfall on a Distribution Determination Date (after payment into the Transaction Account of the relevant amount in accordance with the above paragraph and taking into account any other payments made or to be made into the Transaction Account pursuant to any other Transaction Document) between: (x) the amount standing to the credit of the Transaction Account; and (y) the Required Amount payable on the Periodic Distribution Date falling one Business Day after such Distribution Determination Date (the difference between such amounts being referred to in the Service Agency Agreement as a "**Shortfall Amount**"), by paying into the Transaction Account on that Distribution Determination Date from the amounts standing to the credit of the Reserve Account (if any) an amount equal to the Shortfall Amount (or such lesser amount as is then standing to the credit of the Reserve Account);
- (2) the Service Agent will be entitled to deduct amounts standing to the credit of the Reserve Account at any time during the Ownership Period and use such amounts for its own account, provided that such amounts shall be immediately repaid by it if so required to fund a Shortfall Amount in accordance with the above sub-paragraph; and

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

Shortfalls and Liquidity Facilities

If, following payment of amounts standing to the credit of the Reserve Account as described above, a Shortfall Amount remains on any Distribution Determination Date, the Service Agent may at its discretion provide either: (i) Shariah-compliant funding to the Trustee itself; or (ii) procure Shariah-compliant funding from a third party to be paid to the Trustee, in each case to the extent necessary to ensure that the Trustee receives on each 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 to be settled: (i) from Income Revenues received in respect of a subsequent period in accordance with the Service Agency Agreement; or (ii) on a Dissolution Date, from the relevant exercise price payable pursuant to the terms of the Purchase Undertaking or the Trustee's Sale and Purchase Undertaking, as the case may be (such funding in relation to a Series, a "**Liquidity Facility**").

Payments under the Service Agency Agreement

The Service Agent will agree in the Service Agency Agreement that all payments by it under the Service Agency Agreement must be made without any deduction or withholding for or on account of any present or future Taxes imposed by the Relevant Jurisdictions unless required by law and without set-off or counterclaim of any kind. If there is any such deduction or withholding, 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 received by it if no withholding or deduction had been made and accordingly the Service Agent undertakes to pay to the Trustee or such other persons as the Trustee may direct such additional amounts forthwith upon demand and in the manner and currency prescribed hereunder.

The Service Agent will further agree in the Service Agency Agreement that its payment obligations under the agreement will be direct, unsubordinated and unsecured obligations of the Service Agent and shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 5 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Service Agent, present and future.

Trustee's Sale and Purchase Undertaking

The Trustee's Sale and Purchase Undertaking will be executed as a deed on or around the date of this Base Prospectus by the Trustee in favour of Emirates Islamic Bank PJSC (in such capacity, "**EI**") and will be governed by English law.

In relation to each Series, the Trustee will irrevocably grant to EI each of the following rights:

- (i) provided that a Tax Event has occurred and the Trustee has delivered to the Principal Paying Agent (with a copy to Obligor): (a) a certificate signed by a director of the Trustee; and (b) an opinion of independent legal advisers of recognised standing, in each case, in accordance with Condition 12.2 (*Early Dissolution for Tax Reasons*), to require the Trustee to sell, transfer and convey to EI on the Early Tax Dissolution Date specified in the relevant Exercise Notice all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the relevant Wakala Portfolio at the Exercise Price;
- (ii) following delivery of the Cancelled Certificates to the Trustee for cancellation pursuant to Condition 12.9 (*Purchase and Cancellation*), to require the Trustee to assign, transfer and convey to the Obligor on the Cancellation Date all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Cancellation Wakala Assets, provided that: (a) no Dissolution Event has occurred and is continuing in respect of the relevant Series; (b) the Cancellation Wakala Assets are of a Value which is not greater than the aggregate face amount of the Cancelled Certificates less the Cancellation Amount; and (c) in respect of the Cancellation Wakala Assets (or any of them) no Exercise Notice has been delivered under the Trustee's Sale

and Purchase Undertaking nor has any Purchase Undertaking Exercise Notice (as defined in the Trustee's Sale and Purchase Undertaking) been delivered under the Purchase Undertaking;

- (iii) provided that Optional Dissolution (Call) Right is specified as applicable in the applicable Final Terms of a Series, to require the Trustee, at any time prior to the relevant Optional Dissolution Date, to sell, transfer and convey to EI on the Optional Dissolution Date specified in the Exercise Notice all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the relevant Optional Call Wakala Assets at the Optional Call Exercise Price;
- (iv) provided that the Trustee has issued additional certificates in accordance with Condition 21 (*Further Issues*) in respect of an existing Series, to require the Trustee on the Issue Date of the Additional Certificates to request the transfer of all of EI's interests, rights, title, benefits and entitlements, present and future, in, to and under certain additional Eligible Wakala Assets (the "**Additional Assets**") at the Additional Assets Exercise Price, provided that the Value of the Additional Assets is no less than the Additional Assets Exercise Price; and
- (v) to require the Trustee to sell, transfer and convey on any Substitution Date all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the relevant Substituted Assets in exchange for the transfer and conveyance by EI to the Trustee of all of its interests, rights, title, benefits and entitlements, present and future, in, to and under the relevant New Assets provided that:
 - (a) the aggregate Value of the relevant New Assets is at least equal to the Value of the relevant Substituted Assets immediately prior to such substitution;
 - (b) the New Assets are Eligible Wakala Assets;
 - (c) the Tangibility Ratio shall be more than 50 per cent. immediately following such sale, transfer and conveyance;
 - (d) the Substituted Assets shall be either: (1) applied by EI to form part of a wakala portfolio for another issuance under the Programme; or (2) sold by EI to a separate legal entity; and
 - (e) no Dissolution Event has occurred and is continuing in respect of the relevant Series; and
- (vi) if 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to Condition 12 (*Capital Distributions of Trust*), to require the Trustee to sell, transfer and convey to EI on the Clean Up (Call) Dissolution Date specified in the Exercise Notice, all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Wakala Assets comprised in the Wakala Portfolio applicable to the relevant Series at the Exercise Price,

in each case, on an "as is" basis (without any warranty express or implied 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 Trustee's Sale and Purchase Undertaking.

Purchase Undertaking

The Purchase Undertaking will be executed as a deed on or around the date of this Base Prospectus by the Obligor as obligor in favour of the Trustee and the Delegate and will be governed by English law.

In relation to each Series, the Obligor will irrevocably grant to the Trustee and the Delegate (on behalf of itself and the Certificateholders) the following rights:

- (i) 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 and accept the transfer and conveyance on the Dissolution Event Redemption Date specified in the Exercise Notice of all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Wakala Portfolio at the Exercise Price;

(ii) to require the Obligor, on the Maturity Date, to purchase and accept the transfer and conveyance of all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Wakala Portfolio at the Exercise Price;

(iii) provided that:

(a) Optional Redemption (Investor Put) Right is specified as applicable in the applicable Final Terms of a Series; and

(b) a holder or holders of the relevant Certificates have exercised the Optional Redemption (Investor Put) Right in accordance with the Conditions,

to require the Obligor, at any time prior to the relevant Optional Redemption Date, to purchase and accept the transfer and conveyance on the Optional Redemption Date of all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the relevant Optional Put Wakala Assets (as defined in the Purchase Undertaking) at the Optional Put Exercise Price;

(iv) provided that:

(a) a Tangibility Event has occurred; and

(b) a holder or holders of the relevant Certificates have delivered Tangibility Event Put Notices in accordance with the Conditions,

to require the Obligor to purchase and accept the transfer and conveyance on the Tangibility Event Redemption Date of all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the relevant Tangibility Event Wakala Assets at the Tangibility Event Exercise Price;

(v) provided that the Trustee has received notice, or otherwise becomes aware, of the occurrence of an Impaired Wakala Asset Event in accordance with the terms of the Purchase Undertaking or the Service Agency Agreement, to require the Obligor to purchase and accept the transfer and conveyance on the relevant Impaired Wakala Asset Exercise Date of all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the relevant Impaired Wakala Assets against the transfer and conveyance to the Trustee of all of the Obligor's interests, rights, title, benefits and entitlements, present and future, in, to and under certain New Assets; and

(vi) provided that an Additional Wakala Asset Event has occurred, to require the Obligor to sell, transfer and convey to the Trustee on the relevant Additional Wakala Asset Date all of the Obligor's interests, rights, title, benefits and entitlements, present and future, in, to and under certain New Assets against the payment by the Trustee of an amount equal to the Additional Wakala Asset Purchase Price,

in each case, with regard to such Wakala Assets and New Assets, on an "as is" basis (without any warranty express or implied 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.

In relation to any Series, (i) if, at the time of delivery of an Exercise Notice in accordance with the provisions of the Purchase Undertaking, the Obligor remains in actual or constructive possession, custody or control of all or any part of the Wakala Assets comprising the Wakala Portfolio; and (ii) if, following delivery of an Exercise Notice in accordance with the provisions of the Purchase Undertaking, the relevant Purchase Undertaking Exercise Price is not paid in accordance with the provisions of the Purchase Undertaking for any reason, thereby resulting in the Obligor's failure to comply with its obligations in accordance with the provisions of the Purchase Undertaking, 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 and, accordingly, the amount payable under any such indemnity claim will equal the relevant Purchase Undertaking Exercise Price.

The Obligor will agree in the Purchase Undertaking that all payments by the Obligor under the Purchase Undertaking and any sale agreement pursuant to the Purchase Undertaking must be made without any deduction or withholding for or on account of any present or future Taxes imposed by the Relevant

Jurisdictions unless required by law and without set-off or counterclaim of any kind. If there is any such deduction or withholding, the Obligor shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no withholding or deduction had been made and accordingly the Obligor will undertake to pay to the Trustee or such other persons as the Trustee may direct such additional amounts forthwith upon demand and in the manner and currency prescribed under the Purchase Undertaking.

The Obligor will further agree in the Purchase Undertaking that its payment obligations under the deed will be direct, unsubordinated and 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 5 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Obligor, present and future.

Master Murabaha Agreement

The Master Murabaha Agreement will be entered into on or around the date of this Base Prospectus between the Trustee (in its capacity as seller) and the Obligor (in its capacity as buyer) and will be governed by English law.

Pursuant to the Master Murabaha Agreement, and in connection with any Tranche under a Series, the Trustee may enter into a Commodity Murabaha Investment with the Buyer at the Deferred Sale Price. In accordance with the Master Murabaha Agreement, on receipt of a duly completed Notice of Request to Purchase (as defined in the Master Murabaha Agreement) from the Buyer, the Trustee (acting through its commodity agent) may purchase the relevant commodities on the relevant Issue Date from a commodity supplier on a spot basis at the relevant Commodity Purchase Price (as defined in the Master Murabaha Agreement) in the Specified Currency of the relevant Series.

Upon completion of the purchase of the commodities by the Trustee in accordance with the Master Murabaha Agreement and the Trustee gaining title thereto and (actual or constructive) possession thereof, the Trustee may deliver to the Buyer a duly completed Offer Notice (as defined in the Master Murabaha Agreement) by no later than 3.00 p.m. London time on the relevant Issue Date indicating the Trustee's acceptance of the terms of the relevant Notice of Request to Purchase. Provided that the Buyer has received the Offer Notice and it wishes to enter into a Murabaha Contract, the Buyer may: (a) accept the terms of, countersign and deliver to the Trustee the Offer Notice delivered to it in accordance with the Master Murabaha Agreement; and (b) purchase from the Trustee the relevant Commodities acquired by the Trustee for the relevant Deferred Sale Price in accordance with the terms of the Master Murabaha Agreement, in each case, by countersigning and delivering to the Trustee the Offer Notice on or before 3.30 p.m. London time (or such other time as may be agreed in writing between the Buyer and the Trustee) on the Issue Date.

As soon as the Buyer has accepted the Trustee's offer by countersigning the relevant Offer Notice, a Murabaha Contract shall be created between the Trustee and the Buyer upon the terms of the relevant Offer Notice 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 Buyer, together with all rights and obligations relating thereto.

The Buyer will agree in the Master Murabaha Agreement that all payments by it under the Master Murabaha Agreement must be made without any deduction or withholding for or on account of any present or future Taxes imposed by the Relevant Jurisdictions unless required by law and without set-off or counterclaim of any kind. If there is any such deduction or withholding, the Buyer shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no withholding or deduction had been made and accordingly the Buyer will undertake to pay to the Trustee or such other persons as the Trustee may direct such additional amounts forthwith upon demand and in the manner and currency prescribed under the Master Murabaha Agreement.

The Buyer will further agree in the Master Murabaha Agreement that any payment obligations of the Buyer under the Master Murabaha Agreement and each Murabaha Contract will be direct, unsubordinated and unsecured obligations of the Buyer and shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 5 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Buyer, present and future.

The Master Trust Deed, as supplemented by each Supplemental Trust Deed

The Master Trust Deed will be entered into on or around the date of this Base Prospectus between the Obligor, the Trustee and the Delegate and will be governed by English law. A Supplemental Trust Deed between the same parties shall be entered into on the Issue Date of each Tranche of Certificates and will also be governed by English law.

Pursuant to the Master Trust Deed as supplemented by the relevant Supplemental Trust Deed(s) (together, the "**Trust Deed**"), the Trustee will, in relation to each Series of Certificates, *inter alia*:

- (i) hold the relevant Trust Assets on trust absolutely for the relevant Certificateholders as beneficial tenants in common pertaining to the applicable Series *pro rata* according to the face amount of Certificates of that Series held by each Certificateholder; and
- (ii) act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the Trust Deed.

The Trustee will irrevocably and unconditionally delegate to the Delegate all of the present and future rights, powers, trusts, authorities and discretions vested in the Trustee by the relevant provisions (as specified in the Master Trust Deed and including but not limited to the authority to request indications from any Certificateholders and the power to make any determinations to be made under the Master Trust Deed) (the "**relevant powers**"), provided that: (a) no obligations, duties, liabilities or covenants of the Trustee pursuant to the Master Trust Deed or any other Transaction Document shall be imposed on the Delegate by virtue of the delegation of the relevant powers; (b) in no circumstances will the delegation of the relevant powers result in the Delegate holding on trust the Trust Assets; and (c) such delegation of the relevant powers shall not include any duty, power, trust, right, authority or discretion to dissolve the trusts constituted by the Trust Deed following the occurrence of a Dissolution Event or to determine the remuneration of the Delegate. The delegation to the 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 trustee for the trusts created pursuant to the Master Trust Deed.

The Obligor will undertake in the Master Trust Deed that:

- (1) it will comply with and perform and observe all the provisions of the Transaction Documents which are expressed to be binding on it. The Trustee and/or the Delegate shall be entitled to enforce its obligations under the Transaction Documents as if the same were set out and contained in the Master Trust Deed. The Trustee shall hold the benefit of this covenant upon trust for itself and the Certificateholders according to its and their respective interests;
- (2) it shall promptly provide notice (including the reasons therefor and upon request a report on its financial condition) of any material deterioration of its operating condition or fact relating thereto which may interfere with the performance of its duties under any Transaction Document to which it is a party to the Trustee and the Delegate (and, in addition, shall deliver to the Trustee and the Delegate one copy of each annual and (if available) semi-annual financial report and any extraordinary report to its creditors or shareholders produced by it, respectively, promptly after issuance thereof);
- (3) it will at all times keep proper books of account in relation to its obligations under all Transaction Documents to which it is a party and in respect of the Wakala Assets and shall provide copies of such records upon request to the Trustee or such other person as the Trustee may request in accordance with the terms of the Service Agency Agreement; and
- (4) in the event that the Trustee fails to comply with any obligation to pay additional amounts pursuant to Condition 13 (*Taxation*), it will unconditionally and irrevocably (irrespective of the payment of any fee), as a continuing obligation, pay to 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 13 (*Taxation*).

In relation to any Series:

- (a) if, at the time of delivery of an Exercise Notice in accordance with the provisions of the Purchase Undertaking, the Obligor remains in actual or constructive possession, custody or control of all or any part of the Wakala Assets comprising the Wakala Portfolio; and
- (b) if following delivery of an Exercise Notice in accordance with the provisions of the Purchase Undertaking, the relevant Purchase Undertaking Exercise Price is not paid in accordance with the provisions of the Purchase Undertaking for any reason, thereby resulting in the Obligor's failure to comply with its obligations in accordance with the provisions of the Purchase Undertaking,

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 and, accordingly, the amount payable under any such indemnity claim will equal the relevant Purchase Undertaking Exercise Price.

A Transaction Account in London will be established in the name of the Trustee. Moneys received in the Transaction Account will, *inter alia*, comprise payments of Periodic Distribution Amounts and/or Dissolution Amounts immediately prior to each Periodic Distribution Date and/or any Dissolution Date, as the case may be. The Trust Deed shall provide that all moneys credited to the Transaction Account from time to time will be applied in the order of priority set out in Condition 6.2 (*Application of Proceeds from the Trust Assets*).

If and to the extent the Trustee has exercised its rights under Condition 21 (*Further Issues*) to issue Additional Certificates in respect of a Series, on the date on which any Additional Certificates are created and issued, the Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Certificates and the holders of such Additional Certificates so created and issued, declaring that the Additional Assets transferred to the Trustee (in respect of the issuance of the Additional Certificates) and the Wakala Assets comprising the Wakala Portfolio immediately prior to the creation and issue of the Additional Assets (in respect of the relevant Series as in existence immediately prior to the issue of such Additional Certificates) and each Commodity Murabaha Investment made pursuant to the Master Murabaha Agreement (and all rights arising under or with respect thereto) are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Certificates and the holders of such Additional Certificates as tenants in common *pro rata* according to the face amount of Certificates held by each Certificateholder, in accordance with the Trust Deed.

Shariah Compliance

Each Transaction Document to which it is a party will provide that each of EI Sukuk Company Ltd. and Emirates Islamic Bank PJSC agrees that it has accepted the Shariah-compliant nature of the relevant Transaction Documents and the other Transaction Documents to which it is a party and, to the extent permitted by law, further agrees that:

- (i) 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;
- (ii) 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
- (iii) 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 it is a party are not compliant with the principles of Shariah.

TAXATION

The following is a general description of certain tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates and does not constitute legal or tax advice. Prospective purchasers of Certificates should consult their tax advisers as to the consequences under the tax laws of the countries of their respective citizenship, residence or domicile of acquiring, holding and disposing of Certificates and receiving payments under the Certificates. 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.

Dubai and the United Arab Emirates

*The following is a general summary of the current tax law and practice in Dubai and the UAE (to the extent applicable in Dubai) ("**Dubai Law**") and does not constitute legal or tax advice. Prospective investors in the Certificates are advised to consult their own tax advisers with respect to the tax consequences under the tax laws of the country in which they are resident, of the purchase ownership or disposition of the Certificates or any interest therein.*

Under existing Dubai Law, although an income tax decree has been enacted in Abu Dhabi and in Dubai (the Abu Dhabi Income Tax Decree 1965 (as amended) and the Dubai Income Tax Decree 1969 (as amended)) which provides for tax to be imposed on the taxable income of all bodies corporate which carry on a trade or business, the regime is not currently enforced. In practice, only companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE have been required to pay tax. There are currently no withholding taxes required to be levied under UAE, Abu Dhabi or Dubai law in respect of payments on debt securities (including in relation to the Certificates). However, further to the announcement of CIT on 31 January 2022, the UAE Ministry of Finance announced (i) the introduction of a corporate income tax on business profits, which will come into effect on 1 June 2023 and (ii) that no withholding will apply in relation to this tax. See further "*Risk Factors – Risk Factors Relating to the UAE and the Middle East – Tax changes in the UAE may have an adverse effect on the Group*". In the event of the imposition of any withholding, the Obligor has undertaken to gross-up any payments subject to certain limitations, as described in Condition 13 (*Taxation*).

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to revise taxes on a federal basis for the purposes of funding its budget. It is not known whether this right will be exercised in the future.

The UAE has entered into double taxation arrangements with certain other countries.

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 Certificates to be issued 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.

Subject as set out below, no capital or stamp duties are levied in the Cayman Islands on the issue, transfer or redemption of Certificates. The Trustee has received, from the Governor-in-Cabinet of the Cayman Islands, pursuant to the Tax Concessions Act (As Revised) of the Cayman Islands, an undertaking dated 1 May 2007 that for a period of 20 years from the date of the grant of the undertaking no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Trustee or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations 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 in part of any relevant payment (as defined in Section 6(3) of the Tax Concessions Act (As Revised) of the Cayman Islands). No capital or stamp duties are levied in the Cayman Islands on

the issue, transfer or redemption of Certificates. However, an instrument transferring title to any Certificates, if executed in or brought into 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 share capital. At current rates, this annual registration fee is approximately U.S.\$853.66.

The Cayman Islands has signed an inter-governmental agreement to improve international tax compliance and the exchange of information with the United States (the "**US IGA**"). The Cayman Islands has also signed, along with over 100 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "**CRS**" and together with the US IGA, "**AEOI**").

Cayman Islands regulations have been issued to give effect to the US IGA and CRS (collectively, the "**AEOI Regulations**"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "**TIA**") has published guidance notes on the application of the US IGA and CRS.

All Cayman Islands "Financial Institutions" (including the Trustee) are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, unless the Trustee is able to rely on an exemption that permits it be treated as a "Non-Reporting Financial Institution" (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under CRS. The Trustee does not propose to rely on any reporting exemption and therefore intends to comply with the requirements of the AEOI Regulations as a "Reporting Financial Institution".

The AEOI Regulations require the Trustee to, amongst other things: (i) register with the IRS to obtain a Global Intermediary Identification Number (in the context of the US IGA only); (ii) register with the TIA, and thereby notify the TIA of its status as a "Reporting Financial Institution"; (iii) adopt and implement written policies and procedures setting out how it will address its obligations under CRS; (iv) conduct due diligence on its accounts to identify whether any such accounts are considered "Reportable Accounts"; and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit such information to the applicable overseas fiscal authorities.

Under the terms of the US IGA, withholding will not be imposed on payments made to the Trustee unless the IRS has specifically listed the Trustee as a non-participating financial institution, or on payments made by the Trustee to the Certificateholders unless the Trustee has otherwise assumed responsibility for withholding under United States tax law.

By investing in the Certificates and/or continuing to invest in the Certificates, investors shall be deemed to acknowledge that further information may need to be provided to the Trustee, the Trustee's compliance with the AEOI Regulations may result in the disclosure of investor information, and investor information may be exchanged with overseas fiscal authorities. Where an investor fails to provide any requested information (regardless of the consequences), the Trustee reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned.

The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common financial transaction tax ("**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 the Certificates (including secondary market transactions) in certain circumstances. The issuance and subscription of Certificates should, however, be exempt.

Under the Commission's proposal, 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 the 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.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **"foreign financial institution"** (as defined by FATCA) 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 UAE and 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 issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional Certificates (as described under Condition 21 (*Further Issues*)) that are not otherwise distinguishable from previously issued Certificates are issued after the expiration of the grandfathering date and are subject to withholding under FATCA, then withholding agents may treat all Certificates, including the Certificates offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Certificateholders should consult their own tax advisers regarding how these rules may apply to their investment in Certificates.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 7 February 2023 (the "**Programme Agreement**"), agreed with the Trustee and the Obligor a basis upon which they or any of them may from time to time agree to purchase Certificates. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Certificates*". In the Programme Agreement, each of the Trustee and the Obligor has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Certificates under the Programme.

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 shall not make, and has not made, any invitation or offer to the public in the Cayman Islands to subscribe for the Certificates.

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 DIFC unless such offer is:

- (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the DFSA rulebook; and
- (ii) 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.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates, except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than: (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Certificates, except on a private placement basis, to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

- (i) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more excluding that person's principal place of residence; or
- (ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or

- (iii) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Certificates pursuant to an offering should note that the offer of Certificates is a private placement under Article 8 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, as amended by CMA resolution number 8-5-2023 dated 18 January 2023 (the "**KSA Regulations**"), made through a capital market institution licensed to carry out arranging activities by the CMA and following a notification to the CMA under Article 10 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 "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of, or as otherwise required or permitted by 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 10 and either Article 8(a)(1) or Article (9) 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 14 of the KSA Regulations.

Malaysia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) this Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 of Malaysia ("**CMSA**"); and
- (ii) accordingly, the Certificates have not been and will not be offered, sold or delivered, and no invitation to subscribe for or purchase the Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Part I of Schedule 6 or Section 229(1)(b), Part I of Schedule 7 or Section 230(1)(b) and Schedule 8 or Section 257(3), 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 Securities Commission of Malaysia and/or any other regulatory authority from time to time.

People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates will not be offered or sold directly or indirectly within the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan) ("**PRC**"). This Base Prospectus and any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Base Prospectus, any information contained herein or the Certificates have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Certificates in the PRC directly or indirectly.

The Certificates may only be invested by the PRC investors that are authorised to engage in the investment in the Certificates of the type being offered or sold.

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, any offers, promotions, solicitations for sales of or for, as the case may be, any Certificates in the PRC, except where permitted by the China

Securities Regulatory Commission, the People's Bank of China and other competent authorities or where the activity otherwise is permitted under the PRC law.

Public Offer Selling Restriction under the Prospectus Regulation

In relation to each Member State of the EEA, 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 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 Member State, except that it may make an offer of such Certificates to the public in that Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Trustee or the Obligor for any such offer; or
- (iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

provided that no such offer of Certificates referred to above shall require the Trustee, the Obligor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer**" in relation to any Certificates in any 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.

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 the 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 provision of the SFA.

Where the Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) 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
- (b) 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 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:

- (1) 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)(c)(ii) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37(A) of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

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 the State of Qatar (including the Qatar Financial Centre), except: (i) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (ii) through persons or corporate entities authorised and licenced to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre). This Base Prospectus: (a) 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 the State of Qatar (including the Qatar Financial Centre); (b) is intended for the original recipient only and must not be provided to any other person; and (c) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

United Arab Emirates (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 (excluding the DIFC) other than in compliance with any laws applicable in the UAE governing the issue, offering or sale of securities.

United Kingdom

Prohibition of sales to UK retail investors

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 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 the United Kingdom, except that it may make an offer of such Certificates to the public in the United Kingdom:

- (i) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Trustee or the Obligor for any such offer; or
- (iii) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Certificates referred to above shall require the Trustee, the Obligor or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer" in relation to any Certificates in the UK 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 for the Certificates.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Certificates which have a maturity of less than one year: (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (b) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or the Obligor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the UK.

United States

The Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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 sold any Certificates, and will not offer and sell any Certificates: (i) as part of their distribution at any time; and (ii) otherwise until 40 days after the completion of the distribution of all Certificates of the Tranche of which such Certificates are a part, within the United States or to, or for the account or benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each Dealer has also agreed, and each further Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of sale of Certificates, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Certificates from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Certificates covered hereby have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons: (a) as part of their distribution at any time; or (b) otherwise until 40 days after the completion of the distribution of the Certificates except, in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Certificates, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

Until 40 days after the commencement of the offering of any Series of Certificates, an offer or sale of such Certificates within the United States by any dealer (whether or not participating in the offering) may violate

the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Terms used in these paragraphs have the meanings given to them by Regulation S under the Securities Act.

General

These selling restrictions may be modified by the agreement of the Trustee, the Obligor and the Dealers following a change in a relevant law, regulation or directive. Any such modifications will be set out in the applicable Final Terms issued in respect of the issue of the Certificates to which it relates or in a supplement to this Base Prospectus.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Certificates or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Trustee, the Obligor, the Delegate or any other Dealer shall have any responsibility therefor.

None of the Trustee, the Obligor, the Delegate or any of the Dealers represents that Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with any additional restrictions agreed between the Trustee, the Obligor and the relevant Dealer(s) and set out in the relevant Subscription Agreement or dealer accession letter, as applicable.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was authorised by a resolution of the board of directors of the Trustee dated 6 June 2007. The update of the Programme and issue of Certificates thereunder was authorised by a resolution of the board of directors of the Trustee passed on 2 February 2023. The Trustee has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Certificates.

The Obligor's entry into the Transaction Documents to which it is a party was authorised by a resolution of the Board on 26 October 2022.

Listing and Admission to Trading

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 to be admitted to trading on the Regulated Market.

Application has also been made to the DFSA for Certificates issued under the Programme to be admitted to the DFSA Official List and an application may be made to Nasdaq Dubai for any Series of Certificates to be admitted to trading on Nasdaq Dubai.

However, Certificates may be issued pursuant to the Programme which will not be listed on Euronext Dublin or any other stock exchange or which will be listed on such stock exchange as the Trustee, the Obligor and the relevant Dealer(s) may agree.

Documents Available

For as long as any Certificates issued pursuant to this Base Prospectus remain outstanding, copies of the following documents will, when published, be available: (i) for inspection by holders and obtainable free of charge at the specified office for the time being of the Principal Paying Agent; or (ii) at the option of the Principal Paying Agent, by email at a holder's request (subject to provision of proof of holding satisfactory to the Principal Paying Agent and the Obligor), in each case, during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays):

- (a) the Memorandum and Articles of Association of the Trustee (as the same may be updated from time to time);
- (b) the Memorandum and Articles of Association of the Obligor (with an English translation thereof) (as the same may be updated from time to time);
- (c) the Master Trust Deed and the Agency Agreement;
- (d) a copy of this Base Prospectus and the documents incorporated by reference herein;
- (e) any future base prospectuses, information memoranda, applicable Final Terms and supplements to this Base Prospectus and any other documents incorporated herein or therein by reference; and
- (f) the 2022 Financial Statements and the 2021 Financial Statements, in each case together with the audit reports prepared in connection therewith,

save that such documents relating to Certificates which are neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a base prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a holder of such Certificates and such holder must produce evidence satisfactory to the Principal Paying Agent and the Obligor as to its holding of Certificates and identity.

In addition, copies of this Base Prospectus, each Final Terms relating to Certificates which are admitted to trading on the Regulated Market and each document incorporated by reference are available on the Euronext Dublin's website at <https://live.euronext.com/>. Copies of this Base Prospectus and each Final Terms relating to Certificates which are admitted to trading on Nasdaq Dubai are available on Nasdaq Dubai's website at

www.nasdaqdubai.com. The documents listed in paragraph (a) to paragraph (d) (inclusive) above will also be available on the Obligor's website at <https://www.emiratesislamic.ae/eng/financial-information/ei-sukuk/> and the documents set out in paragraph (f) above at the webpages provided under the heading "*Documents Incorporated by Reference*").

Clearing Systems

The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Series of Certificates allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Certificates are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Legal Entity Identifier

The Legal Entity Identifier code ("LEI") of the Trustee is 549300IIDFP0RTSSG071.

The LEI of the Obligor is 254900JGNW4T9ZFM7N20.

Conditions for Determining Price

The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, the Obligor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position or financial performance of the Trustee and no material adverse change in the prospects of the Trustee, in each case, since the date of its incorporation.

There has been no significant change in the financial or trading position or financial performance of the Group since 31 December 2022 and there has been no material adverse change in the prospects of the Group since 31 December 2022.

Litigation

None of the Trustee or the Obligor (or its subsidiaries) 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 are aware) during the 12 months preceding the date of this Base Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Trustee, the Obligor and/or the Group.

Independent Auditors

The Trustee has not prepared any audited financial statements to date, is not required by Cayman Islands law to do so and does not intend to publish audited financial statements.

The auditors of the Group are Deloitte & Touche (M.E.) ("**Deloitte**"). Deloitte have audited, in accordance with International Standards on Auditing, the 2022 Financial Statements and the 2021 Financial Statements, in each case, as stated in their audit reports incorporated by reference herein.

The address of Deloitte is Building 3, Level 6, Emaar Square, Downtown Dubai, P.O. Box 4254, Dubai, United Arab Emirates. Deloitte is regulated in the UAE by the UAE Ministry of Economy which has issued Deloitte with a licence to practice as auditors. There is no professional institute of auditors in the UAE and, accordingly, Deloitte is not a member of a professional body in the UAE. All of Deloitte's audit partners are members of the institutes from where they received their professional qualification.

Dealers Transacting with the Obligor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Obligor (and its affiliates) in the ordinary course of business for which they have received, and for which they may in the future receive, fees.

In addition, in the ordinary course of their business activities, the Dealers and their 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 financing/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 its respective affiliates. Certain of the Dealers or their affiliates that have a financing relationship with the Obligor routinely hedge their credit exposure to the Obligor consistent with its customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the obtaining of Shariah-compliant credit default swaps or the creation of short positions in securities, including potentially the Certificates issued under the Programme. Any such short positions could adversely affect future trading prices of 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.

Irish Listing Agent

Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Trustee in connection with the Certificates and is not itself seeking admission of the Certificates to the Official List or to trading on the Regulated Market for the purposes of the Prospectus Regulation.

Obligor's Website

The Obligor's website is <https://www.emiratesislamic.ae/eng/>. Unless specifically incorporated by reference into this Base Prospectus, the information contained on this website is not incorporated by reference into, or otherwise included in, this Base Prospectus.

Shariah Boards

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the Emirates Islamic Internal Shariah Supervision Committee, the Standard Chartered Bank Global Shariah Supervisory Committee and the Emirates NBD Islamic Internal Shariah Supervision Committee. For the Emirates Islamic Internal Shariah Supervision Committee see further "*Management and Employees – Board Committees – Emirates Islamic Internal Shariah Supervision Committee*".

Standard Chartered Bank Global Shariah Supervisory Committee

Dr. Aznan Hasan

Dr. Aznan Hasan is an Associate Professor in Islamic Law at Ahmad Ibrahim Kulliyah of Laws, International Islamic University Malaysia. He has been teaching Islamic law at the University since 2003. He is also President of the Association of Shariah Advisors in Islamic Finance and has been Deputy Chairman of Shariah Advisory Council, Securities Commission of Malaysia since July 2010. He was a member of the Shariah Advisory Council, Bank Negara Malaysia (November 2006-August 2008 and November 2010-October 2013). He is also the Chairman of the Shariah Supervisory Board, Shariah Advisory Committee, Barclays DIFC (April 2011-present). He is Shariah adviser to Maybank Islamic in Malaysia and has been advising ABSA Islamic Banking, South Africa since July 2010.

Dr. Nizam Yaquby

Dr. Nizam Yaquby studied traditional Islamic studies under the guidance of eminent Islamic scholars from different parts of the world. He has a BA in Economics and Comparative Religions and MSc in Finance from McGill University, Canada. He has a PhD in Islamic law from the University of Wales. In addition to advising Islamic finance institutions and funds, Dr. Nizam Yaquby is a member of the Islamic Fiqh Academy and AAOIFI. Since 1976, Dr. Nizam Yaquby has taught Tafsir, Hadith and Fiqh in Bahrain and

is a Shariah adviser to several international and local financial institutions worldwide. He has also published several articles and books on various Islamic subjects including on banking and finance.

Dr. Mohamed Ali Elgari

See "Management and Employees – Board Committees – Emirates Islamic Internal Shariah Supervision Committee".

Emirates NBD Islamic Internal Shariah Supervision Committee

Dr. Mohamed Abdul Rahim Sultan Al Ulama

See "Management and Employees – Board Committees – Emirates Islamic Internal Shariah Supervision Committee".

Dr. Salim Ali Al-Ali

See "Management and Employees – Board Committees – Emirates Islamic Internal Shariah Supervision Committee".

Dr. Mohamed Ali Elgari

See "Management and Employees – Board Committees – Emirates Islamic Internal Shariah Supervision Committee".

Dr. Amin Fateh

See "Management and Employees – Board Committees – Emirates Islamic Internal Shariah Supervision Committee".

Dr. Muhammad Qaseem

See the description of Dr. Muhammad Qaseem set out above.

TRUSTEE

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United Arab Emirates

DELEGATE

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REGISTRAR

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LISTING AGENT

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