

## **IMPORTANT NOTICE**

**THE ATTACHED BASE LISTING PARTICULARS MAY ONLY BE DISTRIBUTED TO INVESTORS WHO ARE EITHER (1) QIBs (AS DEFINED BELOW) THAT ARE ALSO QPs (AS DEFINED BELOW); OR (2) NON-U.S. PERSONS (AS DEFINED BELOW) LOCATED OUTSIDE THE UNITED STATES.**

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the base listing particulars attached to this electronic transmission (the “**Base Listing Particulars**”) and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Base Listing Particulars. In accessing the Base Listing Particulars, 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 the Trustee, the Obligor, the Arrangers or the Dealers (each as defined in the Base Listing Particulars) as a result of such access.

**Confirmation of Your Representation:** In order to be eligible and by accessing the Base Listing Particulars, you are deemed to have confirmed to the Arrangers, the Dealers, the Trustee and the Obligor that (i) you have understood and agreed to the terms set out herein, (ii) you and any customer you represent are either (a) outside of the United States and not a U.S. person within the meaning of Regulation S under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) (a “**non-U.S. Person**”), and are not acting for the account or benefit of any U.S. person, and that the electronic mail address you have given to us is not located in the United States, its territories and possessions, or (b) a person that is a “qualified institutional buyer” (within the meaning of Rule 144A under the Securities Act) (a “**QIB**”) that is also a “qualified purchaser” (each, a “**QP**”) (within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and the rules and regulations thereunder, (iii) you consent to delivery by electronic transmission, (iv) you will not transmit the Base Listing Particulars (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Arrangers and the Dealers, and (v) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to subscribe for or purchase any of the Certificates.

You are reminded that the Base Listing Particulars has been delivered to you on the basis that you are a person into whose possession the Base Listing Particulars 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 the Base Listing Particulars, electronically or otherwise, to any other person and in particular to any U.S. person or to any U.S. address. Failure to comply with this directive may result in a violation of the Securities Act or the applicable securities laws of other jurisdictions.

**RESTRICTIONS: NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.**

**THE CERTIFICATES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE CERTIFICATES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.**

**THE BASE LISTING PARTICULARS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE LISTING PARTICULARS 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 SECURITIES 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 HEREIN.**

Under no circumstances shall the Base Listing Particulars constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Certificates in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Any Certificates described in the Base Listing Particulars which do not constitute “alternative finance investment bonds” (“AFIBs”) within the meaning of Article 77a of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a “collective investment scheme” (as defined in the Financial Services and Markets Act 2000, as amended (the “FSMA”)) which has not been authorised, recognised or otherwise approved by the United Kingdom Financial Conduct Authority.

The Base Listing Particulars are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of the Base Listing Particulars is only being made to: (a) if the distribution of the Certificates (whether or not such Certificates are AFIBs) is being effected by a person who is not an authorised person under the FSMA, the following persons: (i) persons who are investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”); (ii) persons falling within any of the categories of persons described in Article 49 of the Financial Promotion Order; and (iii) any other persons to whom the Base Listing Particulars may otherwise be distributed without contravention of the FSMA, or any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (b) if the Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of investment professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the “**Promotion of CISs Order**”); (ii) persons falling within any of the categories of person described in Article 22 of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order.

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.

The Base Listing Particulars have been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Arrangers or the Dealers, any person who controls any of the Arrangers, the Dealers, the Trustee, the Obligor, any director, officer, employee or agent of or public official representing any of them, or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Listing Particulars distributed to you in electronic format and the hard copy version available to you on request from any of the Arrangers or the Dealers.

If you received the Base Listing Particulars by e-mail, you should not reply by e-mail to this communication. Any reply e-mail communications, including those you generate by using the “Reply” function on your email software, will be ignored or rejected. If you receive the Base Listing Particulars by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Arrangers, the Dealers or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Arrangers, the Dealers or such respective affiliate(s) on behalf of the Trustee or the Obligor in such jurisdiction.

Recipients of the Base Listing Particulars who intend to subscribe for or purchase the Certificates are reminded that any subscription or purchase may only be made on the basis of the information contained in the Base Listing Particulars.

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

## BASE LISTING PARTICULARS



### nogaholding Sukuk Limited

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

## U.S.\$3,000,000,000

### Trust Certificate Issuance Programme

Under this Trust Certificate Issuance Programme (the “**Programme**”), nogaholding Sukuk Limited (in its capacity as issuer and as trustee, the “**Trustee**”), may elect, subject to compliance with all relevant laws, regulations and directives, from time to time to issue trust certificates (the “**Certificates**”) denominated in any currency agreed between the Trustee and the relevant Dealer(s) (as defined below).

Each Tranche (as defined in “*Terms and Conditions of the Certificates*”) of Certificates issued under the Programme will be constituted by: (i) an amended and restated master trust deed dated 15 May 2023 (the “**Master Trust Deed**”) entered into between the Trustee, The Oil & Gas Holding Company B.S.C. (c) (the “**Company**” or the “**Obligor**”) and Citibank N.A., London Branch as delegate of the Trustee (in such capacity, the “**Delegate**”); and (ii) a supplemental trust deed in relation to the relevant Tranche (each, a “**Supplemental Trust Deed**” and together with the Master Trust Deed, each, a “**Trust Deed**”). Certificates of each Tranche 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 a *pro rata* ownership interest in the assets of a trust declared by the Trustee in relation to the relevant Series (the “**Trust**”).

Certificates may only be issued in registered form. The Certificates may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Trustee and the Obligor (each, a “**Dealer**” and together, the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in these Base Listing Particulars to the “**relevant Dealer(s)**” shall, in the case of an issue of Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for 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*”.**

These Base Listing Particulars do not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Accordingly, no offer to the public of Certificates issued under these Base Listing Particulars may be made other than in circumstances where an exemption is available under the Prospectus Regulation from the requirement to publish a prospectus for offers of securities, nor can any Certificates issued pursuant to these Base Listing Particulars be admitted to trading on any market in the European Economic Area (the “**EEA**”) designated as a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MiFID II**”).

Application has been made to The Irish Stock Exchange plc, trading as Euronext Dublin (“**Euronext Dublin**”) for the approval of this document as base listing particulars and for Certificates issued under the Programme to be admitted to the official list (the “**Official List**”) and to trading on the Global Exchange Market of Euronext Dublin (the “**Global Exchange Market**”). The Global Exchange Market is not a regulated market for the purposes of MiFID II. The Certificates will be delisted from the Official List following the occurrence of a Tangibility Event, see Condition 8.6 (*Dissolution at the Option of Certificateholders (Tangibility Event Put Right)*).

References in these Base Listing Particulars to Certificates being “**listed**” (and all related references) shall mean that such Certificates have been (a) admitted to the Official List and (b) admitted to trading on the Global Exchange Market. The Programme provides that Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, the Obligor and the relevant Dealer(s). However, unlisted Certificates may also be issued pursuant to the Programme. The applicable pricing supplement relating to the relevant Tranche (the “**Pricing Supplement**”) will specify whether or not such Certificates will be listed on the Official List and admitted to trading on the Global Exchange Market (or any other stock exchange). These Base Listing Particulars should be read and construed together with any amendment or supplement hereto. In relation to a Tranche of Certificates, these Base Listing Particulars should be read and construed together with the Pricing Supplement.

The aggregate face amount of the Certificates, Periodic Distribution Amounts (as defined herein) payable in respect of the Certificates, the issue price of the Certificates and certain other information which is applicable to each Tranche of Certificates will be set out in the applicable Pricing Supplement.

The Certificates 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. The Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) except in certain transactions exempt from the registration requirements of the Securities Act. The Certificates may be offered and sold (i) outside the United States to non-U.S. persons in reliance on Regulation S and (ii) within the United States to persons who are “qualified institutional buyers” (“**QIBs**”) in reliance on Rule 144A under the Securities Act (“**Rule 144A**”) that are also “qualified purchasers” (each, a “**QP**”) within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), and the rules and regulations thereunder. Neither the Trustee nor the Obligor has registered and neither intends to register as an investment company under the Investment Company Act, in reliance on the exemption provided by Section 3(c)(7) thereof. For a description of these and certain further restrictions on offers, sales and transfers of Certificates and distribution of these Base Listing Particulars, see “*Subscription and Sale*” and “*Transfer Restrictions*”.

The Trustee is a “covered fund” for the purposes of the “Volcker Rule” contained in Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The acquisition of the Certificates is likely to be considered an acquisition of an “ownership interest” (as that term is used in the Volcker Rule) in a “covered fund”. Accordingly, entities that may be “banking entities” for the purposes of the Volcker Rule, 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, may be restricted from holding the Certificates. **Any prospective investor in the Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule. For further information, see “*Important Notices*”.**

The Programme has been assigned a credit rating of B+ by Fitch Ratings Ireland Limited (“**Fitch**”). Fitch is established in the EEA and is registered under Regulation (EC) No. 1060/2009 (as amended, the “**CRA Regulation**”). As such, Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority (the “**ESMA**”) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Fitch is not established in the United Kingdom (the “**UK**”) and has not applied for registration under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”) (the “**UK CRA Regulation**”). Accordingly, the Programme rating issued by Fitch has been endorsed by Fitch Ratings Limited in accordance with the UK CRA Regulation and has not been withdrawn. Fitch Ratings Limited is established in the UK and is registered under the UK CRA Regulation. Certain tranches of Certificates (each, a “**Tranche**”) to be issued under the Programme may be rated or unrated and, if rated, the credit rating agency issuing such rating will be specified in the Pricing Supplement. Where a Tranche is rated, such rating will not necessarily be equivalent to the ratings assigned to the Obligor. Whether or not the credit rating applied for in relation to a Tranche will be (a) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (b) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation, or (c) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will also be disclosed in the Pricing Supplement. A credit rating is not a recommendation to buy, sell or hold the Certificates, does not address the likelihood or timing of repayment and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Periodic Distribution Amounts payable under the Floating Rate Certificates may be calculated by reference to the Euro interbank offered rate (“**EURIBOR**”), which is provided by the European Money Markets Institute (the “**EMMI**”). As at the date of these Base Listing Particulars, the EMMI appears on the register of administrators and benchmarks

established and maintained by the ESMA pursuant to Article 36 of Regulation (EU) No. 2016/1011 (the “**EU Benchmarks Regulation**”).

The transaction structure relating to the Certificates (as described in these Base Listing Particulars) has been approved by the Shari'a Supervisory Board of Citi Islamic Investment Bank E.C., HSBC Global Shariah Supervisory Committee, the Shari'a advisers of J.P. Morgan Securities plc and the Shari'ah Committee of NBB KSA. Prospective Certificateholders should not rely on the approval referred to above in deciding whether to make an investment in the Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in the approval referred to above is in compliance with their individual standards of compliance with *Shari'a* principles. None of the Trustee, the Obligor, the Arrangers, the Dealer, the Delegate and any of the Agents makes any representation as to the *Shari'a* compliance of the Certificates and/or any trading thereof.

*Arrangers and Dealers*

**Citigroup**

**HSBC**

**J.P. Morgan**

*Dealer*

**National Bank of Bahrain**

The date of these Base Listing Particulars is 15 May 2023.

**These Base Listing Particulars are not a prospectus for the purposes of the Prospectus Regulation. The Global Exchange Market is not a regulated market for the purposes of MiFID II.**

These Base Listing Particulars comprise listing particulars for the purposes of the Global Exchange Market's Listing and Admission to Trading Rules published by Euronext Dublin (the "GEM Rules") and for the purpose of giving information with regard to the Trustee, the Obligor and its consolidated subsidiaries (together, the "Group") and the Certificates which, according to the particular nature of the Trustee, the Obligor and the Certificates, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Trustee and the Obligor and the rights attaching to any Certificates issued under the Programme.

Each of the Trustee and the Obligor accepts responsibility for the information contained in these Base Listing Particulars and the Pricing Supplement for each Tranche of Certificates issued under the Programme. To the best of the knowledge of each of the Trustee and the Obligor, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

The opinions, assumptions, intentions, projections and forecasts expressed in these Base Listing Particulars with regard to each of the Trustee and the Obligor are honestly held by the Trustee and the Obligor, not misleading in any material respect, have been reached after considering all relevant circumstances and are based on reasonable assumptions.

Where information in these Base Listing Particulars has been sourced from a third party, each of the Trustee and the Obligor confirms that such information has been accurately reproduced and that, as far as each of the Trustee and the Obligor is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information contained in these Base Listing Particulars is stated where such information appears in these Base Listing Particulars.

Each Tranche of Certificates will be issued on the terms set out in the Conditions as completed by the applicable Pricing Supplement. These Base Listing Particulars must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Certificates, must be read and construed together with the applicable Pricing Supplement. The information on the websites to which these Base Listing Particulars refers do not form part of these Base Listing Particulars.

None of the Arrangers, the Dealers (each as specified under "*Overview of the Programme*"), the Delegate or the Agents (as defined in the "*Terms and Conditions of the Certificates*") or any of their respective affiliates have independently verified (i) the information contained or incorporated by reference in these Base Listing Particulars or (ii) any statement, representation, or warranty, or compliance with any covenant, of the Trustee or the Obligor contained in any Certificates or any other agreement or document relating to any Certificates or made in connection with the Programme, or any other agreement or document relating to the Programme. Accordingly, none of the Arrangers, the Dealers, the Delegate or the Agents or any of their respective affiliates makes any representation or warranty or accepts any responsibility as to (a) the accuracy or completeness of the information contained or incorporated by reference in these Base Listing Particulars or any other information provided by the Trustee or the Obligor in connection with the Programme or any issuance of Certificates thereunder or (b) the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of any Certificates or any other agreement or document relating to any Certificates or the Programme. None of the Arrangers, the Dealers, the Delegate or the Agents or any of their respective affiliates accepts any liability in relation to the information contained or incorporated by reference in these Base Listing Particulars or any other information provided by the Trustee of the Obligor in connection with the Programme.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with these Base Listing Particulars or any other document entered into in relation to the Programme or any information supplied by the Trustee or the Obligor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by any of the Trustee, the Obligor, the Arrangers, the Dealers, the Delegate or the Agents.

Neither these Base Listing Particulars nor any Pricing Supplement are intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by any of the Trustee, the Obligor, the Arrangers, the Dealers, the Delegate, the Agents or any of their respective affiliates that any recipient of these Base Listing Particulars or any Pricing Supplement or any other information supplied in connection with the

Programme or any Certificates should purchase any Certificates. Each potential purchaser of Certificates should determine for itself the relevance of the information contained or incorporated by reference in these Base Listing Particulars and any Pricing Supplement, make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Trustee and the Obligor and its purchase of any Certificates should be based upon such investigation as it deems necessary. Neither these Base Listing Particulars 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 Arrangers, the Dealers, the Delegate, the Agents or any of their respective affiliates to any person to subscribe for or to purchase any Certificates. None of the Arrangers, the Dealers, the Delegate or the Agents undertakes to review the financial condition or affairs of the Trustee or the Obligor during the life of the Programme or to advise any investor or potential investor in the Certificates of any information coming to the attention of the Arrangers, the Dealers, the Delegate or the Agents. Investors should review the most recently published documents incorporated by reference into these Base Listing Particulars when deciding whether or not to purchase any Certificates.

Neither the delivery of these Base Listing Particulars or any Pricing Supplement nor the offering, sale or delivery of any Certificate shall, in any circumstances, create any implication that the information contained or incorporated by reference in these Base Listing Particulars is true subsequent to the date hereof or, if applicable, the date upon which these Base Listing Particulars have been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) or prospects of the Trustee or the Obligor since the date hereof or, if applicable, the date upon which these Base Listing Particulars have been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

## **IMPORTANT INFORMATION RELATING TO THE USE OF THESE BASE LISTING PARTICULARS AND OFFERS OF CERTIFICATES GENERALLY**

These Base Listing Particulars do 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 these Base Listing Particulars and the offer or sale of Certificates may be restricted by law in certain jurisdictions. The Trustee, the Obligor, the Arrangers, the Dealers, the Delegate, the Agents and their affiliates do not represent that these Base Listing Particulars 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 Arrangers, the Dealers, the Delegate, the Agents or any of their respective affiliates which is intended to permit a public offering of any Certificates or distribution of these Base Listing Particulars in any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and neither these Base Listing Particulars nor any advertisement or other offering materials may be distributed or published in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these Base Listing Particulars or any Pricing Supplement comes are required by the Trustee, the Obligor, the Arrangers, the Dealers, the Delegate and the Agents to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Certificates and on the distribution of these Base Listing Particulars or any Pricing Supplement and other offering material relating to the Certificates, see “*Subscription and Sale*”. In particular, the Certificates have not been and will not be registered under the Securities Act and may be subject to U.S. tax law requirements.

None of the Arrangers, the Dealers, the Delegate, any Agents, any of their respective affiliates, the Trustee or the Obligor makes any representation to any investor in the Certificates regarding the legality of its investment under any applicable laws. Any investor in the Certificates should be able to bear the economic risk of an investment in the Certificates for an indefinite period of time. Each investor should consult with its own advisers as to the legal, tax, *Shari’a*, business, financial and related aspects of the purchase of any Certificates.

Prospective purchasers must comply with all laws that apply to them in any place in which they buy, offer or sell any Certificates or possess these Base Listing Particulars. Any consents or approvals that are needed in order to purchase any Certificates must be obtained prior to the deadline specified for any such consent or approval. The Trustee, the Obligor, the Arrangers, the Dealers, the Delegate, the Agents and their respective affiliates are not responsible for compliance with these legal requirements.

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

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in the Certificates and the information contained or incorporated by reference in these Base Listing Particulars or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact the Certificates will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including Certificates with principal or profit payable in one or more currencies, or where the currency for principal or profit payments is different from the potential investor’s currency;
- (d) understand thoroughly the terms of the Certificates and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, profit rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Certificates may be complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They generally purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in an issue of 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 of the value of the Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

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

### **SUPPLEMENTS TO THESE BASE LISTING PARTICULARS**

Each of the Trustee and the Obligor has agreed to comply with any undertakings given by it from time to time to Euronext Dublin in connection with Certificates in a Series (as defined herein) to be listed on the Official List and, without prejudice to the generality of the foregoing, shall in connection with the listing of the Certificates on the Official List or on any other relevant stock exchange, so long as any Certificate remains outstanding, prepare a supplement to these Base Listing Particulars, or, as the case may be, publish in new Base Listing Particulars, whenever required by the GEM Rules or any other relevant stock exchange. In the event that a supplement to these Base Listing Particulars is produced pursuant to such undertakings, a copy of such supplement will accompany these Base Listing Particulars. Any such supplement to these Base Listing Particulars will also be available from the specified office of Citibank N.A., London Branch in its capacity as principal paying agent (the "**Principal Paying Agent**"). See "*General Information—Documents on Display*".

### **NOTICE TO U.S. INVESTORS**

These Base Listing Particulars may be submitted on a confidential basis in the United States to a limited number of QIBs, each of whom is also a QP, for informational use solely in connection with the consideration of the purchase of certain Certificates, which may be issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Certificates may only be offered or sold in the United States in private transactions: (i) to persons who are QIBs that are also QPs, in transactions exempt from registration under the Securities Act; or (ii) to persons who are QPs pursuant to any other applicable exemption from registration under the Securities Act. Each subsequent U.S. purchaser of Certificates sold in reliance on Rule 144A is hereby notified that the offer and sale of any Certificates to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. Prospective purchasers are hereby notified that sellers of the Certificates may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Individual Certificates (as defined herein), Certificates represented by a Restricted Global Certificate (as defined herein) or any Certificates issued in registered form in exchange or substitution therefor (together, "**Legended Certificates**") will be deemed, by its acceptance or purchase of any such Legended Certificates, to have made certain representations and agreements intended to restrict the resale or other transfer of such Certificates as set out in "*Subscription and Sale*" and "*Transfer Restrictions*".

NEITHER THE PROGRAMME NOR THE CERTIFICATES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF CERTIFICATES OR THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

### **VOLCKER RULE**

The Trustee is a "covered fund" for the purposes of the "Volcker Rule" contained in Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The definition of "covered fund" in the Volcker Rule includes (generally) any entity that would be an investment company under the Investment Company Act, but for the exemption provided under Section 3(c)(1) or 3(c)(7) thereunder. Because the Trustee intends to rely on Section 3(c)(7) of the Investment Company Act for its exemption from registration thereunder, it is considered to



be a covered fund. The Volcker Rule 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 such funds. “Ownership interest” under the Volcker Rule is defined broadly to include any participation or other interest that entitles the holder of such interest to, amongst other things: (i) vote to remove management or otherwise, other than as a creditor exercising remedies upon an event of default, (ii) share in the income, gains, profits or excess spread of the covered fund or (iii) receive underlying assets of the covered fund.

The acquisition of the Certificates is likely to be considered an acquisition of an “ownership interest” (as that term is used in the Volcker Rule) in a “covered fund”. Accordingly, entities that may be banking entities for the purposes of the Volcker Rule may be restricted from holding the Certificates. **Any prospective investor in the Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisers regarding such matters and other effects of the Volcker Rule. Each investor is responsible for analysing its own position under the Volcker Rule and any similar measures and none of the Trustee, the Obligor, the Dealers, the Delegate or the Agents makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Certificates, now or at any time in the future.**

#### AVAILABLE INFORMATION

Neither Trustee nor the Obligor is currently required to file periodic reports under Section 13 or 15 of the Exchange Act with the U.S. Securities and Exchange Commission. To permit compliance with Rule 144A in connection with any resales or other transfers of Certificates that are “restricted securities” within the meaning of the Securities Act, the Trustee and the Obligor has undertaken in the Master Trust Deed to furnish, upon the request of a holder of such Certificates or any ownership interest therein, to such holder or to a prospective purchaser designated by them, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, neither Trustee nor the Obligor is a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder. Any such request should be directed to the Trustee and the Obligor.

#### NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

These Base Listing Particulars have been prepared on the basis that any offer of Certificates to the public in any Member State of the EEA (each, a “**Member State**”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement 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 such offers of Certificates. Accordingly any person making or intending to make an offer of Certificates to the public in that Member State may only do so in circumstances in which no obligation arises for the Trustee, the Obligor, the Arrangers, the Dealers, the Delegate, the Agents or any of their respective affiliates to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. None of the Trustee, the Obligor, the Arrangers, the Dealers, the Delegate, the Agents, or any of their respective affiliates have authorised, nor do they authorise, the making of any offer of Certificates in circumstances in which an obligation arises for the Trustee, the Obligor, the Arrangers, the Dealers, the Delegate or the Agents to publish or supplement a prospectus for such offer.

#### IMPORTANT – EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Certificates includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## MiFID II PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement in respect of any Certificates may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of any Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made at the time of issue about whether, for the purpose of the MiFID Product Governance Rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise none of the Arrangers, the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

## IMPORTANT – UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Certificates includes a legend entitled “Prohibition of Sales to UK Retail Investors”, the Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Certificates or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Certificates or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

## UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement in respect of any Certificates may 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 “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the 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 none of the Arrangers, the Dealers or any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

## NOTICE TO UK RESIDENTS

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) (Amendment) Order 2001 (SI 2001/544), as amended, Certificates issued under the Programme will need to satisfy (amongst other requirements) one of the conditions mentioned in paragraph (2)(f) of that Article, which includes that they will need to be admitted to trading on a recognised investment exchange or a UK trading venue or admitted to the official list of the FCA. Any Certificates which do not constitute AFIBs will represent interests in a collective investment scheme (as defined in the FSMA) which has not been authorised, recognised or otherwise approved by the FCA. Accordingly, these Base Listing Particulars are not being distributed to, and must not be passed on to, the general public in the UK.

The distribution in the UK of these Base Listing Particulars, any applicable Pricing Supplement and any other marketing materials relating to the Certificates is being addressed to, or directed at: (A) if the distribution of the Certificates (whether or not such Certificates are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in

Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”); (ii) persons falling within any of the categories of persons described in Article 49 (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the “**Promotion of CISs Order**”); (ii) persons falling within any of the categories of person described in Article 22 (high net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be 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 these Base Listing Particulars, any applicable Pricing Supplement or any other marketing materials in relation to the 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 these Base Listing Particulars 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 KINGDOM OF SAUDI ARABIA**

These Base Listing Particulars may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the rules and regulations issued by the Saudi Arabia Capital Market Authority (the “**CMA**”).

The CMA does not make any representations as to the accuracy or completeness of these Base Listing Particulars and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of these Base Listing Particulars. Prospective purchasers of Certificates issued under the Programme 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 these Base Listing Particulars, he or she should consult an authorised financial adviser.

#### **NOTICE TO RESIDENTS OF CANADA**

Any Certificates to be issued under the Programme may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Certificates must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if these Base Listing Particulars (including any amendment thereto) or any applicable Pricing Supplement contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal adviser.

If applicable, pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (“**NI 33-105**”) or Ontario Instrument 33-507 *Exemption from Underwriting Conflicts Disclosure Requirements*, the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with any offering of Certificates under the Programme.

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

These Base Listing Particulars do not constitute an offer of securities in the Kingdom of Bahrain (the “**Kingdom**” or “**Bahrain**”) in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006, as amended from time to time). These Base Listing Particulars and any related offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will these

Base Listing Particulars or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in Bahrain, other than as marketing to “accredited investors”, as such term is defined by the Central Bank of Bahrain, for an offer outside Bahrain.

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

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

#### **NOTICE TO RESIDENTS OF THE STATE OF QATAR**

Any Certificates to be issued under the Programme 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. These Base Listing Particulars have not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in the State of Qatar (including the Qatar Financial Centre). The Certificates are not and will not be traded on the Qatar Stock Exchange. The Certificates and interests therein will not be offered to investors domiciled or resident in Qatar and do not constitute debt financing in the State of Qatar under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of State of Qatar.

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

Any Certificates to be issued under the Programme may not be offered for subscription or purchase and no invitation to subscribe for or purchase the Certificates in Malaysia may be made, directly or indirectly, and these Base Listing Particulars or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories set out in Part I of Schedule 6 or Section 229(1)(b), Part I of Schedule 7 or Section 230(1)(b) and Schedule 8, read together with Schedule 9 or Section 257(3) of the Capital Market and Services Act 2007 of Malaysia (the “CMSA”), as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time. The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee or the Obligor and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in these Base Listing Particulars.

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

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

#### **PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE**

The applicable Pricing Supplement in respect of any Certificates may include a legend entitled “Singapore Securities and Futures Act Product Classification”, which will state the product classification of the Certificates pursuant to Section 309B(1) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the “SFA”). The Trustee will make a determination and, prior to making any offering of Certificates in Singapore, provide the appropriate written notification to “relevant persons” (as

defined in Section 309B(1) of the SFA) in relation to each issue about the classification of the Certificates being offered for purposes of Section 309B(1)(a) and Section 309B(1)(c) of the SFA.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Historical financial statements

The consolidated financial statements relating to the Company and its subsidiaries (together, the “Group”) and incorporated by reference in these Base Listing Particulars are as follows:

- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2022 (including the unaudited comparative information as at and for the year ended 31 December 2021), together with the notes thereto (the “**2022 Financial Statements**”); and
- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2021 (including the unaudited comparative information as at and for the year ended 31 December 2020), together with the notes thereto (the “**2021 Financial Statements**” and together with the 2022 Financial Statements, the “**Financial Statements**”).

The financial information included in these Base Listing Particulars: (i) as at, and for the year ended, 31 December 2022, has been derived from the 2022 Financial Statements (ii) as at, and for the year ended, 31 December 2021 has been derived from the 2021 Financial Statements, except for such 2021 financial information which was subsequently reclassified and hence is extracted or derived from the unaudited comparative column of the 2022 Financial Statements (see “*Reclassifications of certain 2021 financial information*” below for further detail) and (iii) as at, and for the year ended 31 December 2020, has been derived from the unaudited comparative information as at, and for the year ended, 31 December 2020, included in the 2021 Financial Statements. As a result, certain 2021 financial information appearing in the 2022 Financial Statements is not comparable with the same information appearing in the 2021 Financial Statements (including the comparative 2020 financial information appearing in the 2021 Financial Statements).

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and interpretations issued by the IFRS Interpretations Committee applicable to companies reporting under IFRS. The Financial Statements comply with IFRS as issued by the International Accounting Standards Board and are in conformity with the Bahrain Commercial Companies Law. The Financial Statements incorporated by reference in these Base Listing Particulars have been audited by PricewaterhouseCoopers M.E Limited (“PwC”) without qualification, as stated in their independent auditor’s reports attached to the Financial Statements.

The Company presents its consolidated financial statements in Bahraini dinar. The Company’s financial year ends on 31 December.

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

### Reclassification of certain 2021 financial information

During 2022, the Group concluded that certain information was erroneously presented in the 2021 Financial Statements. The required adjustments have had no impact on the previously reported net profit, net movement in cash and cash equivalents, total assets, total liabilities and total equity. The Group’s management has corrected the comparative 2021 consolidated financial information in the 2022 Financial Statements as summarised below.

- (i) The Group has receivables from the Government which are classified as ‘Due from a related party’ for which an Expected Credit Loss (“ECL”) has been calculated in line with IFRS 9 “Financial Instruments” (Refer to Note 13 to the 2022 Financial Statements). In 2021, the Group recorded this ECL under ‘Trade and other receivables’. The 2021 balance has been corrected to reclassify ECL from ‘Trade and other receivables’ under current assets to ‘Due from a related party’ under non-current assets.

(ii) The Group has interest payable on its borrowings. In 2021, the interest payable was classified under ‘Trade and other payables’. In the 2022 Financial Statements, in order to comply with the presentation requirements of a financial liability at amortised cost under IFRS 9, the Group has reclassified this amount to ‘Current maturities of long-term borrowings’.

(iii) The Group earns income from various revenue streams. In 2021, those other revenue streams were classified under ‘Other income’. In order to comply with the presentation requirements of IFRS 15 “Revenue from contracts with customers” the Group has corrected the presentation and reclassified these other revenue streams to ‘Revenue’.

The tables below set out the reclassifications made in the 2022 Financial Statements.

<b>Consolidated statement of financial position:</b>	<b>31 December 2021</b> <i>(as previously reported)</i>	<b>Reclassifications</b>	<b>31 December 2021</b> <i>(adjusted)<sup>(1)</sup></i>
		<i>BD'000</i>	
Due from a related party .....	370,112	(27,662)	342,450
Total non-current assets.....	<b>3,761,398</b>	<b>(27,662)</b>	<b>3,733,736</b>
<b>Current assets</b>			
Trade receivables and others .....	337,090	27,662	364,752
Total current assets .....	<b>1,363,268</b>	<b>27,662</b>	<b>1,390,930</b>
<b>Total assets</b> .....	<b>5,124,666</b>	—	<b>5,124,666</b>
Current liabilities .....			
Current maturities of long-term borrowings .....	19,073	21,671	40,744
Trade and other payables.....	513,819	(21,671)	492,148
<b>Total current liabilities</b> .....	<b>672,767</b>	—	<b>672,767</b>
<b>Total liabilities</b> .....	<b>3,655,038</b>	—	<b>3,655,038</b>
<b>Total liabilities and equity</b> .....	<b>5,124,666</b>	—	<b>5,124,666</b>

<b>Consolidated statement of profit or loss and other comprehensive income:</b>	<b>31 December 2021</b> <i>(as previously reported)</i>	<b>Reclassifications</b>	<b>31 December 2021</b> <i>(adjusted)<sup>(1)</sup></i>
		<i>BD'000</i>	
Revenue .....	2,599,130	179,938	2,799,068
Other income .....	188,781	(179,938)	8,843
<b>Operating profit</b> .....	<b>227,762</b>	—	<b>227,762</b>
<b>Profit before income tax</b> .....	<b>178,871</b>	—	<b>178,871</b>
<b>Net profit for the year</b> .....	<b>175,168</b>	—	<b>175,168</b>
<b>Total comprehensive income for the year</b> .....	<b>253,445</b>	—	<b>253,445</b>

<b>Consolidated statement of cash flows:</b>	<b>31 December 2021</b> <i>(as previously reported)</i>	<b>Reclassifications</b>	<b>31 December 2021</b> <i>(adjusted)<sup>(1)</sup></i>
		<i>BD'000</i>	
Net profit before tax for the year.....	178,871	—	178,871
<i>Working capital changes:</i> .....			
Trade and other receivables.....	(89,267)	(27,662)	(116,929)
Trade and other payables.....	132,696	—	132,696
<b>Net cash flows from operations</b> .....	<b>437,342</b>	—	<b>437,342</b>
<b>Net cash flows from operating activities</b> .....	<b>432,325</b>	—	<b>432,325</b>
<b>Net cash flows used in investing activities</b> .....	<b>(552,480)</b>	—	<b>(552,480)</b>
Net movements in amounts due from a related party .....	(205,461)	27,662	(177,799)
<b>Net cash flows used in financing activities</b> .....	<b>366,968</b>	<b>27,662</b>	<b>394,630</b>
Net increase in cash and cash equivalents.....	246,813	—	246,813
Cash and cash equivalents at the beginning of the year.....	269,988	—	269,988
<b>Cash and cash equivalents at the end of the year</b> .....	<b>516,801</b>	—	<b>516,801</b>

Notes:

- (1) The financial information as at and for the year ended 31 December 2021 has been extracted from the unaudited comparative column of the 2022 Financial Statements, following the reclassification of these balances as set out in Note 40 in the 2022 Financial Statements.

### Alternative Performance Measures

These Base Listing Particulars include certain references to non-IFRS financial measures, which the Company considers constitute Alternative Performance Measures (“APMs”), as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures (the “ESMA Guidelines”). The Group uses these APMs to evaluate performance, and this additional financial information is presented in these Base Listing Particulars. However, investors should note that, since not all companies calculate financial measurements, such as the APMs presented by the Company in these Base Listing Particulars, in the same manner, these are not always directly comparable to similarly titled financial measures reported by other companies, including the Group’s competitors. Additionally, the APMs presented by the Company in these Base Listing Particulars are unaudited and have not been prepared in accordance with IFRS or any other accounting standards. Accordingly, these financial measures should not be seen as a substitute for measures defined according to IFRS.

For the purposes of the ESMA Guidelines, the Company considers that the following metrics constitute APMs:

<b>Metric</b>	<b>Method of Calculation</b>	<b>Rationale for inclusion</b>
EBITDA	Profit / (loss) before income tax for the period plus depreciation plus finance costs	Performance measure
EBITDA margin	EBITDA divided by total revenue (expressed as a percentage)	Performance measure
Gross refining margin	The difference between the revenue of refined petroleum products produced in a relevant period and the cost of crude oil and other feedstock purchased in order to produce such products.	Performance measure
Net debt	Calculated as total borrowings less cash and cash equivalents.	Liquidity measure
Net refining margin	Gross refining margin minus cost of materials, variable costs and operating expenses.	Performance measure

For a description and reconciliation to the Financial Statements of EBITDA and EBITDA margin, see “*Selected Financial Information—EBITDA and EBITDA margin*”. For a description of net debt, see “*Selected Financial Information—Net debt*”. For a description of gross refining margin and net refining margin, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Principal components of, and key factors affecting, results of operations—Changes in refining margins*”.

### Presentation of Statistical Information

The statistical information in the sections entitled “*Overview of Bahrain*”, “*Economy of Bahrain*” and “*Public Finance*” have been derived from a number of different identified sources, including the Ministry of Finance and National Economy (“MOFNE”), the Central Bank of Bahrain and the Information eGovernment Authority (the “IGA”), and certain other named sources. The source of any third party information contained in these Base Listing Particulars is stated where such information appears in these Base Listing Particulars. Each of the Trustee and the Company confirms that such information has been accurately reproduced. Similar statistics may be obtainable from other sources, but the underlying assumptions, methodology and, consequently, the resulting data may vary from source to source.

Although every effort has been made to include in these Base Listing Particulars the most reliable and the most consistently presented data, no assurance can be given that such data was compiled or prepared on a basis consistent with international standards for a variety of reasons, including the use of different definitions and different cut-off times. The Company and the Dealers have not separately investigated the accuracy of such statistical information and no assurance can be given that any such information, where it differs from that provided



by other sources, is more accurate or reliable. Where specified, certain statistical information has been estimated based on information currently available and should not be relied upon as definitive or final. Such information may be subject to future adjustment. In addition, in certain cases, the information is not available for recent periods and, accordingly, has not been updated. The information for past periods should not be viewed as indicative of current circumstances, future periods or periods not presented.

Annual information presented in these Base Listing Particulars is based upon 1 January to 31 December periods, unless otherwise indicated. Notwithstanding the foregoing, for the purposes of the Government of Bahrain's budget (the details of which are set forth in "*Public Finance*"), the Government of Bahrain's fiscal year commences on 31 December and ends on 30 December in the following year. References in these Base Listing Particulars to a specific "**fiscal year**" are to the 12 month period commencing on 31 December of the preceding calendar year and ending on 30 December of the specified year.

### **Certain Defined Terms and Conventions**

Capitalised terms which are used but not defined in any particular section of these Base Listing Particulars will have the meaning attributed thereto in "*Terms and Conditions of the Certificates*" or any other section of these Base Listing Particulars. In addition, all references in these Base Listing Particulars to:

- "**Bahrain**" or to the "**Kingdom**" are to the Kingdom of Bahrain;
- the "**Government**" are to the government of Bahrain;
- "**bpd**" are to barrels per day;
- "**bbls**" are to barrels;
- "**GWh**" are to gigawatt hours;
- "**kg**" are to kilograms;
- "**km**" are to kilometres;
- "**kV**" are to kilovolts;
- "**kW**" are to kilowatts;
- "**MW**" are to megawatts;
- "**mbpd**" are to million barrels per day;
- "**mcf**" are to million cubic feet per day;
- "**mscfd**" are to million standard cubic feet per day;
- "**mtpy**" are to million tonnes per year;
- "**scfd**" are to square cubic feet per day; and
- "**tonnes**" are to metric tonnes.

Certain figures and percentages included in these Base Listing Particulars 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.

### **Currencies and Exchange Rates**

All references in these Base Listing Particulars to:

- "**Bahraini dinars**" and "**BD**" refer to Bahraini dinars, the legal currency of Bahrain for the time being;

- “U.S. dollars”, “dollars”, “U.S.\$” and “\$” refer to United States dollars, the legal currency of the United States for the time being;
- “pounds sterling”, “pounds”, “GBP” and “£” refer to pounds sterling, the legal currency of the United Kingdom for the time being; and
- “euro”, “EUR” and “€” refer to euro, the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to The Treaty of European Union, as amended.

These Base Listing Particulars contains a conversion of certain Bahraini dinar amounts into dollars at specified rates solely for the convenience of the reader. The Bahraini dinar has been pegged to the U.S. dollar at a fixed exchange rate of BD0.376 = U.S.\$1.00 and, accordingly, unless otherwise indicated, U.S. dollar amounts in these Base Listing Particulars have been converted from Bahraini dinar at this exchange rate.

### **Websites and Web Links**

The websites and/or web links referred to in these Base Listing Particulars are included for information purposes only and the content of such websites or web links is not incorporated into, and does not form part of, these Base Listing Particulars.

### **Foreign Language**

The language of these Base Listing Particulars 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.

### **References to Law**

In these Base Listing Particulars, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

## **FORWARD-LOOKING STATEMENTS**

Certain statements included in these Base Listing Particulars may constitute “forward looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the United States Exchange Act of 1934, as amended (the “**Exchange Act**”). However, these Base Listing Particulars are not entitled to the benefit of the safe harbour created thereby. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “projects”, “expects”, “intends”, “may”, “will”, “seeks” or “should” or, in each case, their negative or other variations or comparable terminology, or in relation to discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements are statements that are not historical facts, including statements about the Trustee’s and the Company’s beliefs and expectations. These statements are based on current plans, estimates and projections and, therefore, undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. Although the Trustee and the Company believe that beliefs and expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such beliefs and expectations will prove to have been correct.

Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those expressed in any forward-looking statement. The information contained in these Base Listing Particulars identifies important factors that could cause such differences, including, but not limited to:

- the Company’s ability to receive distributions and other revenue flows from its investments (including its subsidiaries);
- the Company’s ability to obtain and maintain sufficient capital to fund its current and future investments and financial obligations, including the Company’s ability to obtain external financing;
- the Company’s ability to manage the growth of the Group successfully;
- actions taken by the Group’s joint venture partners that may not be in accordance with the Company’s policies and/or objectives;

- the impact of the COVID-19 pandemic on the Group’s operations and financial results;
- changes in international oil and gas prices and market prices for refined products and petrochemicals;
- regulatory restrictions applicable to certain companies within the Group pursuant to environmental and health and safety laws and potential liabilities arising thereunder;
- changes in political, social, legal or economic conditions in the markets that affect the Group and the value of the Group’s investments; and
- the political and economic conditions in Bahrain and the Middle East (including changes to interest rates and inflation levels).

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “*Risk Factors*”.

Any forward-looking statements contained in these Base Listing Particulars speak only as at the date of these Base Listing Particulars. Without prejudice to any requirements under applicable laws and regulations, each of the Trustee and the Company expressly disclaims any obligation or undertaking to disseminate after the date of these Base Listing Particulars any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

#### **SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES**

The Trustee is incorporated in and under the laws of the Cayman Islands.

A substantial portion of the assets of the Group are located outside the United States and the United Kingdom. As a result, it may not be possible for investors to effect service of process within the United States and/or the United Kingdom upon the Company or to enforce against it in the United States courts or courts located in the United Kingdom judgments obtained in United States courts or courts located in the United Kingdom, respectively, including judgments predicated upon the civil liability provisions of the securities laws of the United States or the securities laws of any state or territory within the United States.

The Group primarily conducts its operations, and substantially all of its assets are located, in Bahrain. The Transaction Documents (other than the Master Purchase Agreement, the Master Lease Agreement, any Supplemental Purchase Agreement, any Supplemental Lease Agreement, any sale agreement entered into pursuant to the Sale Undertaking, or any sale agreement entered into pursuant to the Purchase Undertaking, which are subject to the jurisdiction of the Bahraini Courts), the Conditions (as defined herein), and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

Any dispute in relation to the Transaction Documents (other than the Master Purchase Agreement, the Master Lease Agreement, any Supplemental Purchase Agreement, any Supplemental Lease Agreement, any sale agreement entered into pursuant to the Sale Undertaking, or any sale agreement entered into pursuant to the Purchase Undertaking, which are subject to the jurisdiction of the Bahraini Courts), the Conditions, and any non-contractual obligations arising out of or in connection with them, may be referred to arbitration in London, England under the London Court of International Arbitration Rules. Bahrain has ratified the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “**New York Convention**”) and the party seeking to enforce the arbitral award must supply: (a) the duly authenticated/apostilled original or a duly certified copy of the award; and (b) the original or a duly certified copy of the arbitration agreement. Any arbitral award rendered in London should therefore be enforceable in Bahrain in accordance with the terms of the New York Convention.

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

- (i) the party to the agreement was, under the law applicable to it, under some incapacity, or the said agreement is not valid under the law which the parties have subjected to or failing any indication thereon under the law of Bahrain;

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

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

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

In addition, subject to the provisions of Legislative Decree No. 27 of 2021 amending the Judicial Authority Law issued by virtue of Legislative Decree No. 42 of 2002, and Ministerial Order No. 28 of 2023 (the “**Ministerial Order**”), no document will be admitted in evidence in the courts of Bahrain (the “**Bahraini Courts**”) unless they are submitted in Arabic or accompanied by a duly authenticated Arabic translation approved by the Official Translator of the Bahraini Courts, which will be the official text.

Under the Conditions, any dispute may also be referred to the courts of England (who shall have exclusive jurisdiction to settle any dispute arising from such documents) if the Certificateholder(s) require. In these circumstances, the Company irrevocably agrees to submit to the exclusive jurisdiction of the courts of England. Further, notwithstanding the agreement to submit to the exclusive jurisdiction of the English courts, there is a possibility that the Bahraini Courts may assume jurisdiction where any defendants in a claim filed before the Bahraini Courts has an elected domicile or place of residence in Bahrain.

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

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

As there has been no reciprocity between England and Bahrain and the United States and Bahrain, the Bahraini Courts are unlikely to enforce an English court judgment or a United States court judgment without requesting that a fresh case is filed in the Bahraini Courts which may lead to the possibility that the Bahraini Courts may re-examine the merits of the claim although the Bahraini Courts may also accept the English court judgment or the United States court judgment as evidence of a debt. The choice by the parties of English law as the governing law of the transaction will be recognised by the Bahraini Courts provided that the provisions thereof are (i) proved, as a matter of evidence, by the party relying on it; and (ii) not contrary to Bahraini public order and morality.

Judicial precedents in Bahrain generally do not have binding effect on subsequent decisions except as a directive for decisions of the Constitutional Court (the “**Constitutional Court**”). Although decisions rendered by the Court of Cassation (the “**Court of Cassation**”) do not have binding effect on lower courts, the present practice is for the lower courts to adhere to the precedents and principles laid down by the Court of Cassation. There is no formal system of reporting court decisions in Bahrain except for those decisions of the Court of Cassation and the Constitutional Court.

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

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

Generally, where provisions relating to profit payments are provided for in an agreement, the Bahraini Courts may give effect to such a provision so long as the agreement between the parties which provides for payment of profit is a commercial agreement relating to commercial activities. However, no assurance can be given that the requirements of reciprocity of enforcement will be met, and therefore prospective investors should note that, if such requirements are not met, the terms of the Certificates might not be enforced by the Bahraini Courts.

See “*Risk Factors—Risks relating to enforcement in Bahrain—Risks associated with enforcing arbitral awards and foreign judgments in Bahrain*”.

### STABILISATION

In connection with the issue of any Tranche of Certificates, the Dealer or Dealers (if any) named as the stabilisation manager(s) in the applicable Pricing Supplement (the “**Stabilisation Manager(s)**”) (or any person(s) acting on behalf of any Stabilisation Manager(s)) 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 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 person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

### CAYMAN ISLANDS DATA PROTECTION

Under the Cayman Islands Data Protection Law Act (as amended) and, in respect of EU data subjects, the EU General Data Protection Regulation (together, the “**Data Protection Legislation**”), individual data subjects have rights and the Trustee as data controller has obligations with respect to the processing of personal data by the Trustee and its affiliates and delegates. Breach of the Data Protection Legislation by the Trustee could lead to enforcement action.

Prospective investors should note that personal data may in certain circumstances be required to be supplied to the Trustee in order for an investment in the Certificates to continue or to enable the Certificates to be redeemed. If the required personal data is not provided, a prospective investor will not be able to continue to invest in the Certificates or to redeem the Certificates.

The Trustee has published a privacy notice (the “**Data Privacy Notice**”), which provides prospective investors with information on the Trustee’s use of their personal data in accordance with the Data Protection Legislation. The Data Privacy Notice can be accessed at <https://www.walkersglobal.com/external/SPVDPNotice.pdf>

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## OVERVIEW OF THE PROGRAMME

*The following overview must be read as an introduction to these Base Listing Particulars and any decision to invest in the Certificates should be based on a consideration of the Base Listing Particulars as a whole, including the documents incorporated by reference. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of these Base Listing Particulars and, in relation to the terms and conditions of any particular Tranche of Certificates, is completed by the applicable Pricing Supplement.*

*Words and expressions defined in “Form of the Certificates” and “Terms and Conditions of the Certificates” shall have the same meanings in this overview.*

<b>Issuer, Trustee, Lessor and Purchaser</b> .....	nogaholding Sukuk Limited, as trustee for and on behalf of the Certificateholders and, in such capacity, as issuer of the Certificates. The Trustee was incorporated as an exempted company incorporated with limited liability in the Cayman Islands on 8 March 2021 with registered number 372592 with its registered office at the offices of Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.  The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents to which it is a party. The Trustee shall on each Issue Date issue the Certificates to the Certificateholders and act as Trustee in respect of the Trust Assets for the benefit of the Certificateholders.
<b>Trustee’s Legal Entity Identifier (“LEI”)</b> .....	54930062R6OFRHBRAI29.
<b>Ownership of the Trustee</b> .....	The authorised share capital of the Trustee is U.S.\$50,000 divided into 50,000 shares with a nominal 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 on trust by Walkers Fiduciary Limited for charitable purposes under the terms of a share declaration dated 24 March 2021 (the “ <b>Share Declaration of Trust</b> ”).
<b>Administration of the Trustee</b> .....	The affairs of the Trustee are managed by Walkers Fiduciary Limited (the “ <b>Trustee Administrator</b> ”) who will provide, amongst other things, certain administrative services for and on behalf of the Trustee pursuant to the terms of a corporate services agreement dated 30 March 2021 (the “ <b>Corporate Services Agreement</b> ”) and made between the Trustee and the Trustee Administrator. The offices of the Trustee Administrator are situated at 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.
<b>Obligor, Seller, Lessee, Buyer and Service Agent</b> .....	The Oil & Gas Holding Company B.S.C. (c), a company incorporated under the laws of the Kingdom of Bahrain and registered under commercial registration number 66088.
<b>Obligor’s LEI</b> .....	549300OBH16L6TS6IW50.
<b>Description</b> .....	Trust Certificate Issuance Programme.
<b>Programme Amount</b> .....	Up to U.S.\$3,000,000,000 (or its equivalent in other currencies) outstanding at any time (the “ <b>Authorised Amount</b> ”). The Trustee and the Obligor may increase the Authorised Amount in accordance with the terms of the Dealer Agreement.

<b>Risk Factors</b> .....	There are certain factors that may affect the Trustee’s ability to fulfil its obligations under Certificates issued under the Programme and the Obligor’s ability to fulfil its obligations under the relevant Transaction Documents. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Certificates issued under the Programme, and risks relating to the structure of a particular Series of Certificates issued under the Programme. All of these are set out under “ <i>Risk Factors</i> ”.
<b>Arrangers</b> .....	Citigroup Global Markets Limited HSBC Bank plc J.P. Morgan Securities plc
<b>Dealers</b> .....	Citigroup Global Markets Limited HSBC Bank plc J.P. Morgan Securities plc National Bank of Bahrain B.S.C.  and any other Dealer appointed from time to time by the Trustee and the Obligor either generally in respect of the Programme or in relation to a particular Tranche of Certificates.
<b>Delegate</b> .....	Citibank N.A., London Branch (the “ <b>Delegate</b> ”). In accordance with the Master Trust Deed, the Trustee will, <i>inter alia</i> , unconditionally and irrevocably appoint the Delegate to be its attorney and to exercise certain future powers, authorities and discretions vested in the Trustee by certain provisions in the Master Trust Deed in accordance with the terms of the Master Trust Deed. In addition, pursuant to the Master Trust Deed, certain powers will be vested solely in the Delegate.
<b>Principal Paying Agent and Transfer Agent</b> .....	Citibank N.A., London Branch.
<b>Reg S Registrar and Rule 144A Registrar</b> .....	Citibank Europe plc.
<b>Irish Listing Agent</b> .....	Matheson.
<b>Currencies</b> .....	Certificates may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, as agreed between the Trustee, the Obligor and the relevant Dealer(s).
<b>Pricing Supplement</b> .....	Certificates issued under the Programme may be issued pursuant to these Base Listing Particulars and a Pricing Supplement. The terms and conditions applicable to any particular Tranche of Certificates will be the terms and conditions set out herein (the “ <b>Conditions</b> ”), as completed by the Pricing Supplement.
<b>Listing and Trading</b> .....	Application has been made to Euronext Dublin for Certificates to be admitted to the Official List and to trading on the Global Exchange Market. The Global Exchange Market is not a regulated market for the purposes of MiFID II. The Certificates will be delisted from the Official List following the occurrence of a Tangibility Event, see Condition 8.6 ( <i>Dissolution at the Option of Certificateholders (Tangibility Event Put Right)</i> ).  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



relevant Series. Certificates which are neither listed nor admitted to trading on any market may also be issued.

The Pricing Supplement 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.

**Clearing Systems .....**

Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Banking S.A. (“**Clearstream**”) and/or The Depository Trust Company (“**DTC**”), unless otherwise agreed, and such other clearing system(s) as may be agreed between the Trustee, the Obligor, the relevant Dealer(s), the Principal Paying Agent and the Delegate.

**Method of Issue.....**

The Certificates will be issued on a syndicated or non-syndicated basis. Certificates will be issued in series (each, a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the amount and date of the first Periodic Distribution Amount payment and the date from which Periodic Distribution Amounts start to accrue) to the Certificates of each Series being intended to be interchangeable with all other Certificates of that Series. Each Series may comprise one or more tranches (each, a “**Tranche**”) issued on the same or different issue dates. The specific terms of each Tranche (which will comprise, where necessary, the relevant terms and conditions and, save in respect of the issue date, issue price, date of the first Periodic Distribution Amount payment and face amount of the Tranche), will be identical to the terms of other Tranches of the same Series and will be completed in the Pricing Supplement.

**Status of the Certificates .....**

Each Certificate will represent an undivided ownership interest in the Trust Assets of the relevant Series, is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee and will rank *pari passu*, without preference or priority, with all other Certificates of the relevant Series issued under the Programme.

**Issue Price .....**

The Certificates may be issued at their face amount or at a discount or premium to their face amount. 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.

**Maturities.....**

The Certificates may have any maturity as agreed between the Trustee, the Obligor and the relevant Dealer(s), subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Form and Delivery of Certificates .....**

The Certificates will be issued in registered form only, one Certificate being issued in respect of each Certificateholder’s entire holding of Certificates of one Tranche. Certificates sold in an “offshore transaction” within the meaning of Regulation S will initially be represented by an Unrestricted Global Certificate (an “**Unrestricted Global Certificate**”). Each Unrestricted Global Certificate will be deposited with a common depository for, and registered in the name of a nominee for, Euroclear and Clearstream.

Certificates sold in the United States to QIBs that are also QPs will initially be represented by a Restricted Global Certificate (a “**Restricted Global Certificate**”) and together with any Unrestricted Global Certificate, “**Global Certificates**”). Each Restricted Global

Certificate will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee for, DTC.

Please see “*Terms and Conditions of the Certificates*” and “*Form of the Certificates*”.

**Initial Delivery of Certificates .....**

On or before the issue date for each Tranche, the Global Certificates may be deposited with a common depository for Euroclear and Clearstream or a custodian for DTC (as applicable). Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system **provided that** the method of such delivery has been agreed in advance by the Trustee, the Obligor, the Delegate and the relevant Dealer. Certificates that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

**Trust Assets.....**

Pursuant to the relevant Trust Deed for each Series, the Trustee has declared that it will hold the Trust Assets (as defined in Condition 5.1 (*Trust Assets*)) upon trust absolutely for, and on behalf of, the Certificateholders *pro rata* according to the face amount of Certificates held by each Certificateholder.

**Limited Recourse.....**

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

Certificateholders have no recourse to any assets of the Trustee (other than the relevant Trust Assets), the Obligor (to the extent that it fulfils its obligations under the Transaction Documents to which it is a party) or the Delegate or any of their respective affiliates in respect of any shortfall in the expected amounts from the relevant Trust Assets to the extent the relevant Trust Assets have been enforced, realised and fully discharged following which all obligations of the Trustee and the Obligor shall be extinguished.

**Benchmark Discontinuation .....**

In the event that a Benchmark Event occurs, such that any reference rate (or any component part thereof) cannot be determined by reference to the original benchmark or screen rate (as applicable) specified in the applicable Pricing Supplement, then the Obligor may (subject to certain conditions) be permitted to substitute such benchmark and/or screen rate (as applicable) with a successor, replacement or alternative benchmark and/or screen rate (with consequent amendment to the terms of such Series of Certificates and, potentially, the application of an Adjustment Spread (which could be positive, negative or zero)). See Condition 7.2(f) (*Benchmark Replacement*) for further information.

**Dissolution on the Scheduled  
Dissolution Date.....**

Unless the Certificates are previously redeemed or purchased and cancelled, the Trustee will redeem the Series of Certificates at an amount equal to the relevant Dissolution Distribution Amount and the Trust in relation to the relevant Series will be dissolved by the Trustee on the relevant Scheduled Dissolution Date specified in the applicable Pricing Supplement for such Series.

**Early Dissolution of the Trust .....**

Subject to the applicable Pricing Supplement in respect of each Series, the Trust may be dissolved prior to the Scheduled Dissolution Date upon:

- (a) the occurrence of a Dissolution Event;
- (b) the occurrence of a taxation event (as further specified in Condition 8.2 (*Early Dissolution for Taxation Reasons*));
- (c) all of the Certificates of a relevant Series being redeemed following the exercise by the Obligor of an Optional Dissolution Right;
- (d) all of the Certificates of a relevant Series being redeemed following the exercise by the Obligor of the Clean-Up Dissolution Right;
- (e) all of the Certificates of a relevant Series being redeemed following the occurrence of a Tangibility Event (as further specified in Condition 8.6 (*Dissolution at the Option of Certificateholders (Tangibility Event Put Right)*));
- (f) upon all of the Certificateholders of a relevant Series exercising the Certificateholder Put Right or the Change of Control Put Right;
- (g) upon the occurrence of a Total Loss Event; or
- (h) all of the Certificates of the relevant Series being cancelled following the purchase of such Certificates by or on behalf of the Obligor and/or any of its subsidiaries.

In the case of the events described in paragraphs (a) to (h) above, the Certificates of a Series will be redeemed pursuant to the exercise of the Purchase Undertaking or the Sale Undertaking (as applicable) whereupon the Obligor will purchase from the Trustee the Lease Assets. The relevant exercise price payable upon due exercise of the Purchase Undertaking or the Sale Undertaking (as applicable), together with the Deferred Sale Price, will be used to fund the redemption of the Certificates at an amount equal to the relevant Dissolution Distribution Amount.

**Optional Dissolution Right, Certificateholder Put Right .....**

The applicable Pricing Supplement issued in respect of each Series of Certificates will state whether such Certificates may be redeemed prior to the Scheduled Dissolution Date at the option of the Obligor (either in whole or in part) or at the option of the Certificateholders, and, if so, the terms applicable to such redemption.

For *Shari'a* reasons, the Optional Dissolution Right and the Certificateholder Put Right cannot both be specified as applicable in the applicable Pricing Supplement in respect of any single Series of Certificates.

**Change of Control Put Right .....**

If so specified in the applicable Pricing Supplement, each holder will have the right to require the redemption of its Certificates if a Change of Control (see below) occurs. Please see Condition 8.5 (*Dissolution at the Option of Certificateholders (Change of Control Put Right)*).

A “**Change of Control**” will occur if there is a Change of Obligor Control or a Change of Bapco Control (each as defined in the Conditions).

**Early Dissolution for Tax Reasons** .....

Where the Trustee has or will become obliged to pay any additional amounts in respect of the Certificates pursuant to Condition 10 (*Taxation*) or the Obligor has or will become obliged to pay any additional amounts in respect of amounts payable under the Transaction Documents as a result of a change in, or amendment to, the laws or regulations of a Relevant Taxing 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 the first Tranche of the relevant Series (as specified in the applicable Pricing Supplement) and such obligation cannot be avoided by the Trustee or the Obligor, as applicable, taking reasonable measures available to it, the Trustee will, following receipt of an Exercise Notice and payment of the Exercise Price by the Obligor upon due exercise of the Sale Undertaking redeem the Certificates, in whole but not in part, at an amount equal to the relevant Dissolution Distribution Amount on the relevant Early Tax Dissolution Date specified in the Exercise Notice. See further Condition 8.2 (*Early Dissolution for Taxation Reasons*).

**Dissolution Events** .....

The Certificates will be subject to certain dissolution events as described in Condition 12 (*Dissolution Events*). Following the occurrence of a Dissolution Event, the Certificates of the relevant Series may be redeemed in full at an amount equal to the relevant Dissolution Distribution Amount.

**Periodic Distribution Amounts**....

Certificateholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the Conditions.

**Denominations** .....

The Certificates will be issued in such denominations as may be agreed between the Trustee, the Obligor and the relevant Dealer(s) and as specified in the applicable Pricing Supplement (the “**Specified Denomination**”), subject to compliance with all applicable laws, regulations and/or central bank requirements, and save that the minimum Specified Denomination shall be U.S.\$200,000 (or, if the Certificates are denominated in a currency other than U.S. dollars, the equivalent amount in such currency).

***Certificates having a maturity of less than one year***

Certificates (including Certificates denominated in pounds sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Trustee in the United Kingdom constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 (or its equivalent in other currencies). See “*Subscription and Sale*”.

**Lease Asset Substitution** .....

The Obligor may (at its discretion), on a Periodic Distribution Date, substitute any Lease Asset in respect of a Series with another tangible asset. The Obligor shall only be allowed to effect such a substitution if the value of the new asset(s) is at least equal to the portion of the relevant Asset Purchase Price (as defined herein) attributable to the Lease Asset(s) to be so substituted. In the event that the substitution is of some but not all of the Lease Assets, the schedule contained in the relevant Supplemental Lease Agreement setting out the Lease Assets shall be updated to reflect such substitution and no further

Supplemental Lease Agreement will need to be entered into. In the event that such substitution is of all of the Lease Assets, the existing Supplemental Lease Agreement shall terminate on the relevant Periodic Distribution Date and a new Supplemental Lease Agreement will be entered into at that time.

**Trustee Covenants**..... The Trustee has agreed to certain restrictive covenants as set out in Condition 6.1 (*Trustee Covenants*).

**Negative Pledge**..... The Certificates will have the benefit of a negative pledge, as described in Condition 6.2 (*Negative Pledge*).

**Taxation**..... All payments under the Certificates and the Transaction Documents will be made free and clear of withholding taxes of a Relevant Taxing Jurisdiction, unless such withholding or deduction is required by law. In that event, the Trustee or the Obligor (as applicable) shall pay additional amounts so that the full amount which would otherwise have been due and payable is received, subject to certain customary exceptions.

**ERISA**..... Employee benefit plans, plans and other entities subject to Title I of ERISA, Section 4975 of the Code or any Similar Laws may not acquire Certificates (or an interest therein).

See "*Certain ERISA Considerations*".

**Ratings**..... The rating of certain Series of Certificates to be issued under the Programme may be specified in the Pricing Supplement. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Certificates issued under the Programme may be rated or unrated. Where a Tranche is rated, the applicable rating(s) will be specified in the Pricing Supplement. Whether or not each credit rating applied for in relation to a relevant Tranche of Certificates will be (a) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (b) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or (c) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will also be disclosed in the applicable Pricing Supplement. The list of credit rating agencies registered and/or certified under the CRA Regulation is available on the ESMA website:

<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>  
(last updated 27 March 2023).

**Selling Restrictions and Transfer Restrictions**..... For a description of certain restrictions on offers, sales and deliveries of Certificates and on the distribution of offering material in the United States of America, Canada, the EEA, the United Kingdom, Kingdom of Saudi Arabia, Qatar (including the Qatar Financial Centre), Bahrain, the United Arab Emirates (excluding the Abu Dhabi Global Market (the "**ADGM**")) and the Dubai International Financial Centre (the "**DIFC**")), the ADGM, the DIFC, Singapore, Hong Kong, Japan, Malaysia, the Cayman Islands and such other restrictions as may be required in connection with the offering and sale of the Certificates. See "*Subscription and Sale*".

There are restrictions on the transfer of Certificates sold pursuant to Regulation S and Rule 144A. See “*Transfer Restrictions*”.

**Governing Law** .....

The Transaction Documents (other than the Master Purchase Agreement, the Master Lease Agreement, any Supplemental Purchase Agreement, any Supplemental Lease Agreement, any sale agreement entered into pursuant to the Sale Undertaking, or any sale agreement entered into pursuant to the Purchase Undertaking, which are governed by Bahraini law) are governed by English law.

**Transaction Documents** .....

The Master Trust Deed as supplemented by the relevant Supplemental Trust Deed, the Agency Agreement, the Master Purchase Agreement as supplemented by the applicable Supplemental Purchase Agreement, the Master Lease Agreement as supplemented by the applicable Supplemental Lease Agreement, the Sale Undertaking (together with each relevant sale agreement executed upon exercise of the Sale Undertaking), the Purchase Undertaking (together with each relevant sale agreement executed upon exercise of the Purchase Undertaking), the Master Murabaha Agreement and the Service Agency Agreement (together with all offers, acceptances and confirmations delivered pursuant to any of the foregoing in connection with the relevant Series) (each, a “**Transaction Document**” and, together, the “**Transaction Documents**”).

## **RISK FACTORS**

*The purchase of Certificates involves risks and is suitable only for, and should be made only by, investors that have such knowledge and experience in financial and business matters as may enable them to evaluate the risks and the merits of an investment in the Certificates. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information set forth herein and, in particular, the risk factors set forth below.*

*Each of the Trustee and the Obligor believes that the following factors may affect the Trustee's ability to fulfil its obligations under the Certificates and the Obligor's ability to fulfil its obligations under the Transaction Documents to which it is a party. Most of these factors are contingencies which may or may not occur. In addition, factors which the Trustee and the Obligor believe are material for the purpose of assessing the market risks associated with the Certificates are also described below.*

*Each of the Trustee and the Obligor believes that the factors described below represent the principal risks inherent in investing in the Certificates, but the inability of the Trustee to pay any amount in the nature of profit, principal or any other amounts on or in connection with any Certificates or the Obligor (acting in any capacity) to pay any amount in the nature of profit, rental or principal payable by it pursuant to any Transaction Document to which it is a party may occur for other reasons and the Trustee and the Obligor do not represent that the statements below regarding the risks of holding the Certificates are exhaustive. Prospective investors should also read the detailed information set out elsewhere in these Base Listing Particulars and reach their own views prior to making any investment decision.*

### **FACTORS THAT MAY AFFECT THE TRUSTEE'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER CERTIFICATES ISSUED UNDER THE PROGRAMME**

#### ***The Trustee has a limited operating history and no material assets***

The Trustee is an exempted company incorporated with limited liability in the Cayman Islands on 8 March 2021 and has no operating history. The Trustee has not as at the date of these Base Listing Particulars engaged, and will not, engage in any business activity other than the issuance of Certificates under the Programme, the acquisition of the Trust Assets as described herein, acting in the capacity as Trustee 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. Therefore, the Trustee is subject to all the risks to which the Company is subject to the extent that such risks could limit the Company's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents.

The ability of the Trustee to pay amounts due on the Certificates will be dependent upon receipt by the Trustee from the Company of amounts to be paid under the Transaction Documents to which the Company is a party (which in aggregate may not be sufficient to meet all claims under the Certificates and the Transaction Documents).

### **FACTORS THAT MAY AFFECT THE OBLIGOR'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE TRANSACTION DOCUMENTS**

#### **Risks relating to the structure of the Group**

#### ***The Company relies on distributions and other revenue flows from its strategic investments in its portfolio companies to meet its financial obligations***

The Company conducts its operations principally through, and derives substantially all of its revenues from, its strategic investments in its portfolio companies and has limited revenue-generating operations of its own. Consequently, the Company's cash flows and ability to meet its cash requirements, including its obligations under the Transaction Documents, depend upon dividends or other distributions by its portfolio companies. Because the Company's portfolio companies are not providing guarantees or any other form of security with respect to the Transaction Documents, investors in the Certificates will not have any direct claim on the cash flows or assets of the portfolio companies in the event of an insolvency of the Company, and the portfolio companies will have no obligation, contingent or otherwise, to pay amounts due under the Transaction Documents, or to make funds available to the Company to make those payments.

The terms and conditions of the Certificates and the Transaction Documents do not restrict the amount of indebtedness that the Group may incur, including indebtedness of the Company's portfolio companies. Such indebtedness, in certain cases, may contain covenants that, under certain adverse circumstances, might prevent or restrict distributions to the Company until such time as the relevant adverse circumstance has been cured or the relevant indebtedness has been repaid. The ability of the Company's portfolio companies to pay dividends or make other distributions or payments to the Company will also be subject to the availability of profits or funds for the purpose which, in turn, will depend on the future performance of the entity concerned which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that may be beyond its control. In addition, any such entity may be subject to restrictions on the making of such distributions contained in applicable laws and regulations. There can be no assurance that the Group's individual businesses will generate sufficient cash flow from operations or that alternative sources of financing will be available at any time in an amount sufficient to enable these businesses to service their indebtedness, to fund their other liquidity needs and to make payments to the Company to enable the Company to meet its payment obligations under the Transaction Documents.

***The Group's principal source of revenues are derived from Bapco, which is currently restricted from making distributions to the Company under the terms of the BMP Project Financing***

The Group's principal source of revenues, on a consolidated basis, are derived from the international and domestic sale of refined oil products by Bahrain Petroleum Company B.S.C. (c) ("**Bapco**"). The Group's international and domestic revenues from the sale of refined oil products accounted for 92.4 per cent., 86.8 per cent. and 91.3 per cent. of the Group's revenue in each of 2020, 2021 and 2022, respectively. The operations of Bapco are described further under "*Description of the Group—Subsidiaries, Associates and Joint Operations—Subsidiaries—Bapco*".

Any interruption to Bapco's business or restrictions on Bapco's ability to make dividends or distributions to the Company could therefore adversely affect the Group's business, results of operations, financial condition and prospects and, therefore, the ability of the Company to meet its payment obligations under the Transaction Documents. In particular, Bapco's ability to make distributions may be limited by its significant capital investment programme, namely the Bapco Modernisation Programme (as defined below). In order to finance the Bapco Modernisation Programme, Bapco has entered into project debt financing facilities agreements amounting to an aggregate of U.S.\$4.1 billion (the "**BMP Project Financing**"). The BMP Project Financing is a limited recourse project financing relying solely on Bapco's cash flow generation for repayment of the debt, and which may only be utilised for Bapco Modernisation Programme project-related payments. The terms of the BMP Project Financing require Bapco's revenues to be ring-fenced into accounts secured in favour of the lenders, and restricts Bapco's ability to distribute dividends to the Company until financial completion of the Bapco Modernisation Programme, which is expected to be completed in 2024, later than the initial target of 2022 due to the impact of the COVID-19 pandemic. The BMP Project Financing will be repaid by Bapco over a period ending mid-2035 and Bapco will be permitted to pay dividends to the Company, subject to satisfaction of certain liquidity thresholds. The BMP Project Financing does not provide recourse to the Company in respect of Bapco's obligations, except in very limited circumstances.

During the period until financial completion of the Bapco Modernisation Programme, the Company will therefore be reliant on dividends and other distributions received from the Group's other portfolio companies, plus a management fee amounting to 10 per cent. of Tatweer's oil and gas capital expenditure and operating costs, paid by MOFNE, in addition to the financing arrangements with MOFNE with respect to all project costs incurred by Tatweer (see "*Description of the Group—Subsidiaries—Tatweer*"). Dividends paid to the Company by its other portfolio companies amounted to U.S.\$77.0 million (from GPIC, Banagas and SBPC) in the year ended 31 December 2020, U.S.\$56.7 million (from GPIC, Banagas, Tawseah and SBPC) in the year ended 31 December 2021 and U.S.\$155.8 million (from GPIC, Banagas, Tawseah, Trident Logistics and SBPC) in the year ended 31 December 2022, while the management fee from MOFNE amounted to U.S.\$79.1 million in the year ended 31 December 2020, U.S.\$40.0 million in the year ended 31 December 2021 and U.S.\$39.7 million in the year ended 31 December 2022.

As Bapco is the most significant source of revenues and profits for the Group on a consolidated basis, the restrictions on Bapco's ability to pay dividends to the Company under the BMP Project Financing may have a material and adverse effect on the Company's ability to meet its payment obligations under the Transaction Documents. For additional details with regard to the BMP Project Financing, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness—BMP Project Financing*".



## Risks relating to the strategy of the Group

### *The Group may experience difficulties in funding its significant planned capital expenditure programme*

The Group, through its portfolio companies, is currently engaged in a number of significant projects to develop and enhance the oil and gas sector in Bahrain that, as of 31 December 2022, are expected to require in excess of U.S.\$11.5 billion in capital expenditure through the end of 2026, comprising U.S.\$7.3 billion for the purposes of the Bapco Modernisation Programme, which has been fully funded pursuant to the BMP Project Financing, and U.S.\$4.2 billion for the purposes of the Bahrain Field Oil and Gas Development and Expansion Programme (as defined below), of which U.S.\$1.2 billion has been funded to date. The success of the Group's project development strategy will be substantially dependent upon its ability to fully fund its capital expenditure programme and achieve sufficient returns to repay the financing. The most significant projects of the Group are summarised below:

- Bapco is currently undertaking a modernisation programme (the “**Bapco Modernisation Programme**”) with the aim of increasing its refining capacity at the Sitra oil refinery by approximately 42 per cent., significantly improving the value and quality of its product mix. The Bapco Modernisation Programme is expected to be completed in 2024 and, partly due to the extended construction period as a result of COVID-19 related delays, is now estimated to cost approximately U.S.\$7.3 billion, which has been fully funded through a mixture of senior long-term secured debt and equity. In February 2018, Bapco signed a U.S.\$4.1 billion EPC contract with a consortium led by French-U.S. petroleum services group TechnipFMC. In December 2018, greenfield construction at the site commenced and the foundation stone ceremony for the Bapco Modernisation Project took place in March 2019. Financial close for the BMP Project Financing occurred on 9 May 2019. As of 28 February 2023, the project was almost 90 per cent. complete with the balance of the remaining activities in the construction and commissioning stages. Please see “*Description of the Group—Subsidiaries, Associates and Joint Operations—Subsidiaries—Bapco—Bapco Modernisation Programme*” for a description of the Bapco Modernisation Programme and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness—BMP Project Financing*” for a description of the BMP Project Financing.
- In November 2022, the Company announced two new natural gas discoveries in the Jubah and Jauf reservoirs. Tatweer is expected to carry out further drilling during 2023 and 2024 to test the Al-Taweel and Al-Sara layers below the Jauf reservoir. It will also perform horizontal drilling in the Jubah well to improve productivity. As the Kingdom is currently producing limited gas from its indigenous sources, the discoveries are expected to play an important role in influencing the country’s energy strategy; however, it is too early to determine the size and deliverability of these opportunities as well as the project costs (and concurrent funding requirements) with absolute certainty. With a projected shortage of domestic gas availability from 2026 onwards, the gas supply projections demonstrate the need to import gas to meet domestic gas demand. The Company is currently developing a national energy strategy for the Kingdom to determine the most viable energy sources for the future needs of the Kingdom (see “*Description of the Group—Recent Developments*”).
- Tatweer Petroleum Bahrain Field Development Company W.L.L. (“**Tatweer**”) is currently undertaking an oil and gas field development and expansion programme (the “**Bahrain Field Oil and Gas Development and Expansion Programme**”) with the aim of increasing onshore oil and gas production capacity across a number of oil and gas fields. Based on the current five-year plan with respect to the period from 2022 to 2026 (which is updated on a rolling annual basis based on Tatweer’s strategy and objectives as well as a review of the depletion plan and ongoing activities), the estimated cost of the Bahrain Field Oil and Gas Development and Expansion Programme is U.S.\$4.2 billion (comprising U.S.\$2.5 billion allocated to the gas development component and U.S.\$1.7 billion allocated to the oil development component), of which U.S.\$1.2 billion has been funded to date. The Group ultimately expects to obtain financing for the costs of the Bahrain Field Oil and Gas Development and Expansion Programme from MOFNE plus a management fee amounting to 10 per cent. of Tatweer’s oil and gas costs. Please see “*Description of the Group—Subsidiaries—Tatweer—Bahrain Field Oil and Gas Development and Expansion Programme*”, “*Overview of Bahrain—Economy of Bahrain*” and “*Description of the Group—Subsidiaries—Tatweer—Oil and gas discovery*” for further information.
- In addition, Tatweer continues its efforts in the technical de-risking of different exploration and appraisal opportunities through the acquisition, processing and interpretation of geological and geophysical data, with a number of in-house and third-party studies conducted. Tatweer has engaged a number of international oil companies through virtual and physical data-rooms to assess the potential for joint collaboration in offshore oil exploration and production projects.

Please see “*Description of the Group*” for further descriptions of the significant projects that the Group is currently undertaking.

The ability of the Group to obtain external financing and the cost of such financing depends on numerous factors, including the general economic and market conditions, international interest rates, credit availability from banks or other financiers, investor sentiment towards emerging markets, investor confidence in the Group and the Government and the credit rating and financial condition of the relevant borrower. External funding may not be available to the Group on acceptable terms or at all.

If the Group raises additional debt in the future, it may become subject to additional or more restrictive financial covenants and ratios, or may be required to extend security over its assets for the benefit of lenders. The increased indebtedness that the Group is planning in connection with its project development programmes may require a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest or profit (to the extent payable) on the Group’s indebtedness, thereby reducing its ability to use its cash flow to fund its operations and future business opportunities. Additionally, it may limit its ability to raise capital to fund any future capital expenditure or operations, expose the Group to the risk of increased interest rates and/or increased costs to hedge interest or profit rates and expose the Group to refinancing risk, to the extent that the Group is unable to repay its borrowings out of internally generated cash flow. There can be no assurance that the Group will be able to refinance its existing indebtedness on acceptable terms or at all, and there may be additional costs and risks associated with the refinancing of the Group’s existing indebtedness. Any of the foregoing could have a material adverse effect on the Group’s business, financial condition, results of operations and cash flows and may affect the ability of the Company to meet its payment obligations under the Transaction Documents.

If the Group is not able to obtain adequate financing or other capital contributions to fund capital and investment expenditures in the future, including any additional financing required in respect of the Bahrain Field Oil and Gas Development and Expansion Programme as well as the other potential oil and gas projects, this could require it to alter, reduce the scope of, defer or cancel such projects. A number of these projects, including the Bahrain Field Oil and Gas Development and Expansion Programme, are expected to improve the profitability, competitiveness and longer-term viability of the Group’s operations. Any scaling back, deferral or cancellation of these projects could therefore have a material and adverse effect on the Group’s business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***The Group has significant plans to expand its oil and gas capacities and these plans are subject to development and construction risks***

As described above, the Group is currently engaged in a number of significant projects to enhance the oil and gas sector in Bahrain. These projects are mostly outsourced to third-party contractors through “turnkey” contracts, meaning that each phase of such projects, including the planning, design and construction phases, are outsourced to third-party contractors. These projects may take months or years before they become operational, during which time the Group may be subject to a number of construction, operating and other risks beyond its control including:

- an inability to find a suitable contractor or sub-contractor either at the commencement of a project or following a default by an appointed contractor or sub-contractor;
- default or failure by its contractors or sub-contractors to finish projects or parts of projects on time, according to specifications or within budget;
- disruption in service and limited access to third parties, such as architects, engineers or other service providers;
- difficulties in connecting any new facilities or plants to existing or new distribution networks;
- shortages or escalating costs of construction materials and increased global commodity prices, including as a result of rising inflation;
- global supply chain issues including shortages or increases in the costs of equipment;
- breakdown or failure of equipment, processes or technology;

- delays due to adverse weather or other events beyond the Group’s control;
- environmental issues and costs;
- start-up and commissioning problems;
- onerous contract terms and/or disputes with contractors or sub-contractors; or
- work stoppages or labour disputes.

There can be no assurance that any or all of the Group’s current or future projects (such as the Bapco Modernisation Programme described above) will be completed in the anticipated timeframe or at all, whether as a result of the factors specified above or for any other reason. In particular, the originally scheduled timeline for completion of the Bapco Modernisation Programme was delayed by two years, primarily due to limitations in workforce availability for subcontractors as a result of the COVID-19 pandemic (see “—*The Group faces risks with respect to the continuing effects of the COVID-19 pandemic*” below). While the Bapco Modernisation Programme is currently on schedule to be completed within the extended timeline of 2024, there can be no assurance that this anticipated timeframe will be met. The Group’s inability to complete a project in the anticipated timeframe, or at all, could have a material and adverse effect on the Group’s business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

In addition, the performance achieved by any of the Group’s new projects could be below expected levels of output or efficiency due to issues such as those relating to a project’s design or specifications. If new projects fail to achieve the required levels of performance, this could adversely affect the return on the Group’s investment in such projects which, in turn, may have an adverse effect on the Group’s business, financial condition, results of operations and cash flow and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

These projects are capital intensive and such expenditure may materially and adversely affect the profits of the Group. The actual capital and investment expenditures required by these projects may be higher or lower than the planned amounts due to various factors, including unplanned cost overruns. The Company can make no assurances with regard to whether, or at what cost, the planned or other possible capital projects of the Group will be completed or that these projects will be successful if completed.

Any delay in the completion, or increase in the cost of the construction, of the Group’s significant projects could have a material and adverse effect on the Group’s business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***The Group faces risks with respect to the continuing effects of the COVID-19 pandemic.***

The COVID-19 pandemic and measures taken to combat it had and continues to have a widespread impact on business and economic conditions, including on the demand for crude oil, natural gas, refined products and petrochemicals. Even though global restrictions as a result of COVID-19 have largely been loosened or lifted entirely, COVID-19 has severely impacted economic activity and caused significant volatility in the prices for crude oil, natural gas, refined products and petrochemicals. Moreover, the COVID-19 pandemic or a resurgence thereof may continue to affect volatility in global capital markets and investor sentiment, which may affect the availability, amount and type of financing available to the Group in the future, in particular if the global restrictions described above are reintroduced, and especially if such measures are imposed for a prolonged period.

In addition to its impact on economic activity, COVID-19 could have a direct impact on the Group’s operations. If public health restrictions are re-introduced, the Group may be required to pause certain operations or close certain facilities for a considerable time. If a significant percentage of the Group’s workforce is unable to work or if the Group is required to close facilities because of illness or government restrictions in connection with the COVID-19 pandemic, the Group’s operations may be negatively impacted.

In particular, the Company currently anticipates a delay of at least two years in the originally scheduled timeline for completion of the Bapco Modernisation Programme, primarily due to limitations in workforce availability for subcontractors as a result of the COVID-19 pandemic. In addition, Tatweer delayed plans for drilling and testing a number of key appraisal wells offshore due to the risks and limitations of operating in the COVID-19 pandemic environment. While the Company does not currently anticipate these delays to result in a material impact on the

overall cost of these projects, there can be no assurance that the COVID-19 pandemic, or measures taken in response to it, will not result in further delays to the Bapco Modernisation Programme, the Bahrain Field Oil and Gas Development and Expansion Programme, or any other projects being undertaken by the Group.

The extent to which COVID-19 could impact the Group's business depends on future developments that are uncertain and are outside of the Company's control. Such developments could result in a worsening of the effects of the pandemic on the Group's business, cash flows, results of operations and price of its securities.

***The Government of Bahrain may exercise significant influence over the Company's operations and the Government's interests may, in certain circumstances, be different from the interests of the Certificateholders***

The Company is wholly-owned by the Government and undertakes considerable capital and other expenditures (such as the Bahrain Field Oil and Gas Development and Expansion Programme described above) for the benefit of the Government. The Government has the power to influence directly or indirectly the Company's commercial and operational affairs, including its investment and divestment decisions. To date, the Company has taken strategic investment decisions based on commercial principles with an expectation of reasonable economic returns. However, it is possible that, in the future, the Company may be asked by the Government to work on important strategic projects for Bahrain, which are expected to contribute to the overall economy of Bahrain, but which may not be expected to deliver suitable returns for the Company. For instance, the Company is currently developing a National Energy Strategy for the Kingdom to determine the most viable energy sources for the future needs of the Kingdom (see "*Description of the Group—Recent Developments*"). In addition, the Company is also leading a major project in the Kingdom to explore the possibility of establishing a carbon capture, utilisation and storage hub in the Kingdom. While any such projects may receive some financial support directly from the Government, there can be no assurance that this will in fact be the case. In addition, any involvement in such projects could divert the Company's managerial attention and resources.

There can be no assurance that the Government will not exercise significant influence over the commercial affairs of the Company (even though, to date, the Government has not exercised any such influence since the establishment of the Company). The Government's interests may also conflict with those of the Company or the Certificateholders. Most of the Company's current portfolio consists of state-owned enterprises of strategic and national importance. Thus, the outcome from any decision making processes relating to the Company's investments may not always be strictly commercial or transparent, or made on a timely basis, which in turn could have a material and adverse effect on the Company's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***The Government may alter its relationship with the Company***

The Government has the ability to limit the Company's mandate, or limit the assets granted to, the Company. Any such actions by the Government could have a material and adverse effect on the Company's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***The Company has historically paid and is likely to continue to pay dividends to the Government in the future***

The terms and conditions of the Transaction Documents do not restrict the amount of distributions that the Group may pay to the Government and the Group has made significant distributions in the past and may be required to do so again in the future.

The Company declared and paid a dividend of BD112.8 million (U.S.\$300.0 million) to MOFNE in 2022 (relating to the financial year ended 31 December 2020). These declared dividends were used for in-kind settlement of a receivable balance from the shareholder; no cash was disbursed. See "*Risks relating to the structure of the Group—The Company relies on distributions and other revenue flows from its strategic investments in its portfolio companies to meet its financial obligations*" and "*Risks relating to the structure of the Group—The Group principal source of revenues are derived from Bapco, which is currently restricted from making distributions to the Company under the terms of the BMP Project Financing*".

The Government may in the future seek to maintain the current levels of dividends or require a greater contribution from the Company to meet its deficit reduction targets. If the Company's board of directors were to recommend a dividend to the Government in the future or be expected to contribute to the Government's budget, any dividend payment or budget contribution to the Government could be made out of, among other things, the Company's

revenues, retained earnings or proceeds from corporate divestitures, if any. Moreover, the terms of the BMP Project Financing restrict Bapco's ability to distribute dividends to the Company until financial completion of the Bapco Modernisation Programme, which is expected to be completed in 2024 (the initial target of late 2022 / early 2023 was delayed due to the impact of the COVID-19 pandemic) (see "*The Group principal source of revenues are derived from Bapco, which is restricted from making distributions to the Company under the terms of the BMP Project Financing*" above, and "*Description of the Group—Subsidiaries—Bapco*"). As such, any future requirements to maintain dividend payments or for the Company to provide a greater contribution to the Government could have a material and adverse effect on the Company's available liquidity, business, results of operations, financial condition and prospects and therefore, on the ability of the Company to meet its payment obligations under the Transaction Documents.

***The Company's financial obligations, including its obligations under the Transaction Documents are not guaranteed by the Government absent an explicit guarantee***

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

***The Company and each of its portfolio companies are highly dependent on their personnel and management teams and the failure to attract and retain qualified and experienced personnel and management could have a material adverse effect on the Group's business***

If the Group is unable to attract or retain experienced, capable and reliable personnel, especially senior and middle management with appropriate professional qualifications, or if the Group fails to recruit skilled professional and technical staff at a pace consistent with its growth, its business, financial condition, results of operations and prospects may be materially adversely affected.

Experienced and capable personnel in the oil and gas industry remain in high demand and there is continuous competition for their talents. The Group may not be able to successfully recruit, train or retain the necessary qualified personnel in the future. The Group is dependent upon their executive officers and key personnel, and the success of its business is driven by the performance of such officers and key employees and the ability of the Group to retain them. The unexpected loss of the services of the Group's executive officers or key personnel could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

The Group may need to offer competitive compensation and other benefits in order to attract and retain key personnel in the future. If the Group cannot recruit new qualified personnel to support its growing business, this could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***The Company may not be able to manage the growth of the Group successfully***

The Group has recently embarked upon a period of significant growth and the Company expects that the Group will continue to grow significantly in future years, as a result of its investments in strategic projects. Future growth may place a significant strain on the Company's managerial, operational, financial and other resources. The need to manage the Group's investments may require continued development of procedures and management controls, hiring and training additional personnel, as well as training and retaining its employee base. Such growth may also significantly increase costs, including the cost of compliance arising from exposure to additional activities and jurisdictions.

As part of its strategy, the Group may from time to time make substantial acquisitions of oil and gas interests, which may include oil and gas assets, companies or businesses. The integration of those assets, companies or businesses and their operations, technologies and employees, may expose the Group to operating difficulties and expenditure associated with the retention of key employees, legal contingencies and risks related to the acquired

business, and the maintenance and integration of procedures, controls and quality standards. As a result of these or other factors, the Group may not be able to achieve the anticipated benefits from any acquisition or investment, and the consideration paid for an acquisition or investment may also affect the Group's financial results.

Such strategic acquisitions and investments could also divert management's time and focus from operating the Group's business. The financing of acquisitions or investments in other companies may require the Group to use a substantial portion of its available cash, raise debt, which would increase the Group's interest or profit expense, or for Group entities to issue shares or other rights to purchase shares, which may result in dilution to the existing shareholders and decrease the Company's earnings per share from such Group entities. Moreover, acquisitions may result in write-offs and restructuring charges as well as in creation of goodwill and other intangible assets that are subject to an impairment test, which could result in future impairment charges. All of these factors could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

If the Group is not successful in meeting the challenges associated with any significant acquisitions which it may make, or in managing its growth successfully, this could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***Climate change concerns and impacts could reduce global demand for hydrocarbons and hydrocarbon-based products and could cause the Company to incur costs or invest additional capital.***

Climate change concerns manifested in public sentiment, government policies, laws and regulations, international agreements and treaties and other actions may reduce global demand for hydrocarbons and propel a shift to lower carbon intensity fossil fuels such as gas or alternative energy sources. In particular, increasing pressure on governments to reduce GHG emissions has led to a variety of actions that aim to reduce the use of fossil fuels, including, among others, carbon emission cap and trade regimes, carbon taxes, increased energy efficiency standards and incentives and mandates for renewable energy and other alternative energy sources. In addition, international agreements that aim to limit or reduce GHG emissions are currently in various stages of implementation. For example, the Paris Agreement became effective in November 2016, and many of the countries that have ratified the Paris Agreement are adopting domestic measures to meet its goals, which include reducing their use of fossil fuels and increasing their use of alternative energy sources. The landscape of GHG related laws and regulations has been in a state of constant re-assessment and, in some cases, it is difficult to predict with certainty the ultimate impact GHG related laws, regulations and international agreements will have on the Company.

Existing and future climate change concerns and impacts, including physical impacts to infrastructure, and related laws, regulations, treaties, protocols, policies and other actions could shift demand to other fuels, reduce demand for hydrocarbons and hydrocarbon-based products, have a material adverse effect on the Company's business, financial position and results of operations.

***Almost all of the Company's current investment portfolio is illiquid, which may adversely affect the Company's ability to divest its investments or generate liquidity if required***

The Company is a key vehicle for the achievement of Bahrain's long-term economic development strategy and almost all of the current investments and a significant portion of the Company's future investments may require a long-term commitment of capital to facilitate the implementation of this development strategy. The long-term investment horizon and the illiquid nature of these investments may make it difficult to sell investments if the need arises or if the Company determines it would be in its best interests to sell. In addition, if the Company were required to liquidate all or a portion of an investment quickly, it may realise significantly less than the carrying value, which could have a material and adverse effect on the Company's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***The Group may be subject to risks resulting from disputes and/or litigation***

The Group is subject to risks relating to legal and regulatory proceedings to which it or its subsidiaries, associates and joint operations are currently a party or which could develop in the future (see "Description of the Group—Litigation"). In particular, the primary industry in which the Group operates, being oil and gas, is sensitive and may be uniquely affected by litigation, regulatory actions, investigations or disputes. The Group's involvement in

litigation and regulatory proceedings may result in the imposition of fines or penalties or could adversely affect its reputation.

Furthermore, litigation and regulatory proceedings are unpredictable, and legal or regulatory proceedings in which the Group is or becomes involved (or settlements thereof) could result in substantial penalties and may have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***Credit ratings assigned to the Company and/or the Certificates are subject to ongoing evaluation and there can be no assurance that the rating currently assigned to the Company and/or the Certificates will not be placed on credit watch or downgraded***

As at the date of these Base Listing Particulars, the Programme has been assigned a credit rating of B+ by Fitch. Fitch is established in the European Union and is registered under the CRA Regulation.

One or more independent credit rating agencies may also assign credit ratings to the Certificates. Any ratings of either the Company or the Certificates may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these Base Listing Particulars and other factors that may affect the value of the Certificates. Nevertheless, real or anticipated changes in the Company's credit ratings or the ratings of the Certificates generally will affect the market value of the Certificates. Any adverse change in the applicable credit rating could adversely affect the trading price of the Certificates. Additionally, investors should be aware that, in the future, the Certificates may not have the same rating as the Company for any number of reasons including the specific terms and conditions of the Certificates, current and future financings by members of the Group, rating agency methodology or other factors.

In addition to the Programme rating above, the Company has been assigned a rating of B+ with a stable outlook by Fitch Ratings Ltd. ("**Fitch Ratings**"). The Company's credit ratings are an important factor in determining the Group's cost of borrowing. The Group's borrowing costs are also partly dependent on its credit ratings. There is no assurance that the Company's credit rating will remain in effect for any given period of time or that the rating will not be lowered or withdrawn entirely if circumstances in the future so warrant. A downgrade of the Company's credit rating, or a negative change in its outlook, may: (i) limit the Group's ability to raise funding; (ii) increase the Group's cost of borrowing; and (iii) limit the Group's ability to raise capital. In addition, actual or anticipated changes in the Company's credit rating may negatively affect the market value of any Certificates issued under the Programme.

The Company's credit rating is also closely linked to that of the sovereign credit rating of Bahrain. Bahrain has been assigned the following credit ratings: B+ (stable outlook) by Fitch Ratings and B+ (positive outlook) by S&P Global Ratings Europe Limited ("**S&P**"). S&P revised its outlook from negative to stable on 26 November 2021 and to positive on 25 November 2022. Furthermore, on 22 April 2022, Moody's, which rates Bahrain on an unsolicited basis, revised the outlook on Bahrain's long term issuer credit rating to B2 (stable outlook) from B2 (negative outlook). For each of the revised ratings mentioned above, the relevant ratings agency cited an increase in oil prices that are expected to remain elevated, improving the outlook for the sovereign's fiscal and external balances.

In the event that any of Fitch Ratings and/or S&P and/or any other agency that provides the sovereign credit rating for the Government downgrades the Government's sovereign credit rating, there can be no assurance that such downgrade of the Government's sovereign credit rating will not materially and adversely affect the credit rating of the Company and/or its debt securities or trust certificates (including the Certificates).

#### ***Cyber security risks and threats could affect the Group's business***

The Group relies heavily on information systems to conduct its business. Although the Group has made a significant effort to ensure the security of its technological landscape, there can be no assurance that detrimental security incidents may not happen. For instance, in early May 2020, Bahrain LNG W.L.L. ("**Bahrain LNG**") was targeted in a phishing incident. Furthermore, the Company suffered a ransomware attack on 28 August 2021, causing a portion of its infrastructure to be temporarily inaccessible and interrupting operations for a period of three days; this was resolved with additional security measures placed to avoid a recurrence. In addition, in December 2022, one of BAFCO's third-party service providers, Axpert Agile, was affected by a ransomware attack, which led to the deletion of certain files on BAFCO's servers, which were later recovered. Although the Group has taken steps to enhance security measures in response to these incidents, if the Group's systems for protecting against cyber security risks are circumvented or breached, this could result in the loss of the Group's

intellectual property or other proprietary information, including customer data, and disruption of the Group's business operations.

### **Risks relating to Bapco**

#### ***The Group's profitability has been significantly supported by the supply of subsidised crude oil to Bapco***

The Group has historically benefitted from significant Government support in the form of subsidised Bahrain crude oil from the "Bahrain Field" (also referred to as the Awali Field) (the "**Bahrain Field**"). Following discussions between the Company, Bapco and the Government, on 19 September 2017, the High Committee for Natural Resources and Economic Security, which is appointed by the Cabinet and whose members include the Minister of Oil and Environment and the Minister of Finance and National Economy, approved the amendment and extension of an existing crude oil supply agreement between the Company, Bapco and the Government dated 7 February 2005 (the "**2005 COSA**"), for an additional term of 25 years. The new crude oil supply agreement, which replaced the 2005 COSA, was entered into on 22 October 2018 (the "**2018 COSA**") and, together with the 2005 COSA, the "**COSA**"). The terms of the 2018 COSA are substantially the same as the 2005 COSA, save that the 2018 COSA requires the Company to assume Bapco's obligations as buyer therein upon completion of certain requirements (which include, among other things, completion of the Bapco Modernisation Programme), following which Bapco will cease to be a party to the 2018 COSA. Upon Bapco ceasing to be a party to the 2018 COSA, the benefit of the subsidised oil supplied pursuant to the 2018 COSA will be directly received by the Company as buyer. Since 2018, the Government has been providing Bapco with a minimum of 38,700 barrels per day of Bahrain crude oil at a subsidised price of U.S.\$1 per barrel pursuant to the 2018 COSA. In each of the years ended 31 December 2020, 2021 and 2022, Bapco received 38,700 bpd of subsidised crude oil pursuant to the COSA.

Pursuant to a crude oil sale and purchase agreement dated 24 February 2019 (the "**COSPA**"), Bapco has agreed to make payment for production costs of U.S.\$11 per barrel (indexed) in respect of the quantity of Bahrain crude oil supplied pursuant to the COSA, which is extracted by Tatweer pursuant to a services subcontract agreement and other ancillary agreements entered into on 24 February 2019. Any quantities of Bahrain crude oil supplied to Bapco in excess of the quantities stipulated in the COSA are provided to Bapco at market value.

In the years ended 31 December 2020, 2021 and 2022, Bapco paid production costs in respect of this subsidised crude oil of U.S.\$11.557 per barrel, U.S.\$11.846 per barrel and U.S.\$12.142 per barrel, respectively, in accordance with the COSPA, resulting in Bapco receiving the subsidised crude oil at a cost of U.S.\$12.557 per barrel, U.S.\$12.846 per barrel and U.S.\$13.142 per barrel, respectively.

This cost represented an average subsidy of U.S.\$29.036 per barrel, U.S.\$57.504 per barrel and U.S.\$87.996 per barrel in the years ended 31 December 2020, 2021 and 2022, respectively. In the event that Bahrain crude oil had been invoiced at market prices by the Government instead of COSA prices, the net profit of the Group for the year ended 31 December 2020, 2021 and 2022 would have been lower by BD157 million (U.S.\$418 million), BD306 million (U.S.\$813 million) and BD467 million (U.S.\$1,243 million), respectively.

Given the importance of this Government support to the Group's business, any change in the level of Government support provided, or the cessation of such support, could result in a material adverse effect on the Group's business, results of operations and financial condition and may affect the Group's ability to satisfy its obligations to make the relevant payments under the Certificates. The withdrawal of the significant Government support for the Group in the form of subsidised Bahrain crude oil could also make it more difficult to finance the Bapco Modernisation Programme. See "*Risks relating to the strategy of the Group—The Group may experience difficulties in funding its significant planned capital expenditure programme*".

In addition, the Group's ratings are closely linked to the support provided by the Government to the Group. Any change in such support could result in the Group's ratings being downgraded. This, in turn, would be likely to adversely affect its ability to complete its capital expenditure programmes and other projects and could make it more difficult for the Group to refinance existing financings when they fall due to be repaid, each of which would also adversely affect the Group's business, financial condition and results of operations and may affect the ability of the Company to meet its payment obligations under the Certificates.

#### ***Bapco is dependent on supply of crude oil from Saudi Arabia***

The majority of the crude oil feedstock for the Sitra Refinery is provided by Saudi Arabian Oil Company ("**Saudi Aramco**") through the new AB pipeline (the "**New AB4 Pipeline**") pursuant to a crude oil supply agreement for the supply of crude feedstock signed in February 2019 (the "**Saudi Aramco COSA**"). In the year ended 31



December 2022, 211,649 bpd of the 251,335 bpd of crude oil processed at the Sitra Refinery was supplied by Saudi Aramco. In addition, it is expected that the additional crude oil feedstock required for the significant expansion of the Sitra Refinery will be supplied by Saudi Aramco through the New AB4 Pipeline, with Saudi Aramco agreeing to supply 350,000 bpd of Arabian crude oil pursuant to the Saudi Aramco COSA.

While Saudi Aramco has provided an uninterrupted supply of Arabian crude oil to Bapco for over 75 years, and the Saudi Aramco COSA is expected to continue in force with automatic extension, the Saudi Aramco COSA can be terminated at the option of either party with written notice. Furthermore, the supply of Arabian crude oil may be disrupted as a result of political instability and acts of terrorism in the region, such as the incident in November 2017, which affected the AB3 pipeline, or the incident in September 2019 concerning Saudi Aramco's Abqaiq and Khurais facilities, which resulted in the temporary suspension of processing by Saudi Aramco at these facilities, as well as the attack on a Jeddah fuel depot in March 2022. In the event that Saudi Aramco is unable, or unwilling, to supply some or all of the crude oil required by the Group, Bapco's ability to operate the Sitra Refinery would be materially adversely impacted unless it was able to source alternative fuel supplies, which may not be available on comparable terms, or at all.

Due to the implementation of a value chain integration strategy and the consequent integration of the activities of the companies within the Group, with a number of companies within the Group reliant on products produced by the Sitra Refinery as feedstock, there is a risk of exposing such companies and future interrelated projects to shortages in feedstock supply or off-take risks in the event that Bapco is not supplied with sufficient crude oil by Saudi Aramco. Any of the above factors could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Certificates.

***Bapco may rely on a small number of key clients or contracts for a significant proportion of its revenue***

Bapco generates a significant portion of its revenue from certain key clients. For the years ended 31 December 2020, 2021 and 2022, the top 10 clients of Bapco by revenue represented approximately 39 per cent., 35 per cent. and 57 per cent., respectively, of Bapco's revenue.

While Bapco has long-term relationships with many of its key clients, there can be no assurance that its clients will enter into future contracts or renew existing contracts with Bapco or that any future contracts they enter into will be on equally favourable terms. If the demand for Bapco's products by any of its key clients declines, a key contract is terminated, or a key client or contract proves less profitable than expected, it could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Certificates.

***The price for the sale of certain refined products produced by the Group and sold domestically is not set by the Company and, as a result, may not reflect commercial or market terms, including any increases in the Group's cost of production***

The domestic sale of refined petroleum products represents the sale of diesel, kerosene, gasoline, liquefied petroleum gas ("LPG") and asphalt by Bapco to domestic customers in Bahrain. The Group's revenue from domestic sale of refined petroleum products accounted for 13.7 per cent., 7.8 per cent. and 6.8 per cent., respectively, of the Group's total revenue in the years ended 31 December 2020, 2021 and 2022, respectively. The decreasing contribution as a percentage of total revenue was as a result of an increase in the volume of products sold internationally.

The price for the sale of certain refined products produced by the Group and sold domestically is not set by the Company. The price in respect of gasoline which is sold domestically is determined by the Gasoline Price Review Committee, while the price in respect of diesel and kerosene which is sold domestically is determined by the Petroleum Price Review Committee. Each of the Gasoline Price Review Committee and Petroleum Price Review Committee is composed of representatives from the Ministry of Oil and Environment and Bapco. In addition, the price in respect of gasoline 98 Octane "super", which is sold domestically, is proposed by the Gasoline Super Price Review Committee. The Gasoline Super Price Review Committee is composed of representatives from the Ministry of Oil and Environment and Bapco, and holds meetings as necessary and/or by request when the committee is asked to propose price change scenarios by the Government. The other two types of gasoline sold domestically are gasoline 95 octane "Mumtaz" and gasoline 91 octane "Jayyed", the prices for which are based on international references which are submitted periodically by the Ministry of Oil and Environment to the Government, which may then make a determination in respect of price changes. Asphalt is sold domestically at

market prices, while LPG is sold domestically at a subsidised price. The price of diesel and kerosene sold domestically is determined in accordance with ministerial order No.10 for the year 2015.

The sale price of natural gas is determined in accordance with a Government resolution adopted in January 2015, which provides that all gas sales to existing and new consumers will be maintained at U.S.\$2.5 per million btu (“mmbtu”), with the price of natural gas increasing at a rate of 25 cents per mmbtu annually from 1 April 2016 until 1 April 2021. In order to support local industries affected by the COVID-19 pandemic, the Government decided not to increase the price to U.S.\$4.00 per mmbtu in April 2021. The gas price increased to U.S.\$4.00 per mmbtu on 1 April 2022 and will remain at this price until further notice.

Prior to January 2016, the price of gasoline in Bahrain had remained unchanged for the previous 33 years. However, in January 2016, in line with actions being taken by other Gulf Cooperation Council (“GCC”) governments to reform energy subsidies, the Government increased the price of gasoline by more than 50 per cent., increasing the price of 95 Octane (Mumtaz) gasoline from 100 fils per litre to 160 fils per litre and increasing the price of 91 Octane (Jayyid) gasoline from 80 to 125 fils per litre. In July 2016, the Government set the price for Super 98 gasoline at 235 fils per litre. In January 2018, the government set the price of 91 Octane (Jayyid) gasoline at 140 fils per litre, up from 125 fils per litre, while 95 Octane (Mumtaz) gasoline was set at 200 fils per litre, up from 160 fils per litre.

In January 2016, the Government also increased the price of diesel from 100 fils per litre to 120 fils per litre and increased the price of kerosene from 100 fils per litre to 120 fils per litre. In January 2017, the Government increased the price of both diesel and kerosene to 140 fils per litre. Prices for diesel and kerosene were further increased from 1 January 2019 and 1 January 2018, respectively, to 180 fils per litre and 160 fils per litre and remain at this price as of the date of these Base Listing Particulars.

Revenue from the domestic sale of oil increased by BD26.0 million (U.S.\$69.3 million), or 11.0 per cent., in 2022, increasing from BD236.8 million (U.S.\$629.8 million) in 2021 to BD262.9 million (U.S.\$699.2 million) in 2022.

Bapco was also previously required to sell diesel to fisheries in Bahrain at subsidised rates specified and regulated by the Government, previously at a price of 180 fils per litre. This subsidy was removed in 2021.

There can be no assurance that the Government will approve any further increase to these tariffs in the future, and tariffs may be set below the Group’s cost of production. Any failure to increase tariffs in line with increased operating costs could have a material and adverse effect on the Group’s business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

### ***The Group is exposed to client credit risk***

The Group is exposed to client credit risk. The Group provides services and products to a variety of clients and is subject to the risk of non-payment for the services and products that it has supplied. These risks are heightened when conditions in the industries in which its clients operate, or general economic conditions, deteriorate. For example Bapco has had to pursue various courses of action for outstanding receivables owed to it by customers, including Media-Ways, which provides services relating to advertising boards in service stations owned by Bapco Retail Company W.L.L., operating as Bapco Tazweed (“BRC”). However, there were no significant write-offs by Bapco during 2020, 2021 and 2022.

As of 31 December 2022, BD31.7 million (U.S.\$84.3 million) of trade and other receivables were impaired and fully provided. In addition, as at 31 December 2022, aging, but not impaired trade receivables, amounted to BD340.2 million (U.S.\$904.8 million), of which 30.3 per cent. was more than 60 days past due. While portfolio companies have procedures in place to monitor credit risk on their receivables, there can be no assurance that such procedures will prevent the occurrence of credit losses that could have a material and adverse effect on the Group’s business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents. For further information on its exposure to credit risk, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Credit Risk*”.

***Oil price fluctuations and a substantial or extended decline in refining margins would negatively impact the Group's financial results***

Substantially all of the Group's revenues are derived from its refining and petrochemicals businesses. The Group's financial results are primarily affected by the margin between the prices at which the Group sells refined products and the prices at which the Group purchases crude oil and other feedstocks (the "**refining margin**"). The Group buys the majority of the crude oil utilised in operations from Saudi Aramco at prices which are determined on the basis of, or by reference to, world oil prices. See "*—Bapco is dependent on supply of crude oil from Saudi Arabia*". The Group has also historically benefitted from significant Government support in the form of subsidised Bahrain crude oil from the Bahrain Field. See "*—The Company's profitability has been significantly supported by the supply of subsidised crude oil to Bapco*". The Group also derives revenue from the sale of oil and gas by Tatweer which also exposes it to fluctuations in oil and gas prices.

International oil prices have fluctuated significantly over the past two decades, and may remain volatile in the future. In 2020, Brent oil prices fell gradually in the first two months before dropping sharply in March and April, with Brent oil ultimately falling below U.S.\$16 per barrel in April 2020. This was primarily due to the impact of the COVID-19 outbreak on the global economy and the increase in supply, each as described in more detail below. Oil prices generally increased throughout 2021 and 2022, with the Organisation of Petroleum Exporting Countries ("**OPEC**") Reference Basket monthly price increasing from U.S.\$54.38 per barrel in January 2021 to U.S.\$79.68 per barrel in December 2022, reaching a peak of U.S.\$117.72 in June 2022 attributable to a number of factors, including, but not limited to, production cuts by OPEC and partners to counter falling oil prices as a result of the COVID-19 pandemic, the rebound in global oil demand as economies continued to recover from the impact of the COVID-19 pandemic and, most notably, the Russian invasion of Ukraine in February 2022. Oil prices have remained fairly stable since the start of 2023, with the OPEC Reference Basket stabilising between U.S.\$71-88 in the first four months of 2023. The price per barrel of Arabian Light Crude Oil (which is produced by Saudi Arabia and constitutes part of the OPEC Reference Basket) has also moved in line with these trends. However, there is no certainty that such price levels will be maintained as global oil prices continue to be volatile.

One of the reasons for increased volatility in oil prices in early 2020 was the increased oil supply in the market and uncertainty surrounding production output levels. On 6 March 2020 a meeting between members of OPEC+ (an alliance between the OPEC and certain non-OPEC oil-producing countries responsible for stabilising the price of oil since 2017), failed to reach an agreement on whether to reduce oil production in response to the widespread outbreak of COVID-19, ending three years of cooperation on production levels. As a result, OPEC removed all limits on production, thereby prompting both Saudi Arabia, along with other producers, to increase production. These events, combined with the global challenges posed by the COVID-19 pandemic, caused a sharp drop in oil prices in the first four months of 2020. In April 2020, an agreement was reached among OPEC+ members to reduce their overall oil production in stages between 1 May 2020 and 30 April 2022. As demand improved, OPEC+ agreed to partially ease cuts from May 2021 onward. In July 2021, OPEC+ announced that production would be increased by 0.4 million barrels a day on a monthly basis from August 2021 until December 2021. In May 2022, the OPEC+ group agreed to leave its production plan unchanged despite increased volatility as a result of the Russia and Ukraine conflict. On 2 June 2022, OPEC+ members agreed to add 648,000 barrels a day of crude oil to the market in July 2022 and August 2022, with a further increase of 100,000 barrels a day for September 2022 agreed on 3 August 2022. On 5 October 2022, OPEC+ members agreed to adjust downward overall production levels from the August 2022 levels by 2 million barrels a day from November 2022 until December 2023, followed by a further downward adjustment of an additional 1.16 million barrels a day announced by OPEC+ members in April 2023. However, there can be no assurance that such agreements will be implemented by all relevant parties or achieve their stated goals. It is also unclear what effect the agreements will have on oil prices in the short- to medium-term and there can be no guarantee that crude oil prices will not decrease.

Prices for oil and gas are based on world supply and demand dynamics and are subject to large fluctuations in response to relatively minor changes in demand, whether as a result of market uncertainty or other factors beyond the control of the Group, including actions taken by OPEC and adherence to agreed production quotas, war, terrorism, government regulation, social and political conditions in oil producing countries generally, economic conditions, prevailing weather patterns and meteorological phenomena such as storms and hurricanes and the availability and price of alternative sources of energy. It is impossible to accurately predict future oil and gas price movements. There can be no assurance that these factors, in combination with others, will not result in a prolonged or further decline in oil prices.

The price of the crude oil the Group purchases and the price at which the Group can sell its refined products may fluctuate independently of each other due to a variety of factors beyond the Group's control, including regional and global supply of, and demand for, crude oil, gasoline and diesel and other feedstocks and refined products.

These in turn depend on, among other things, the availability and quantity of imports, the production levels of suppliers, levels of refined product inventories, productivity and growth (or the lack thereof) of regional and global economies, political affairs and the extent of governmental regulation.

Historically, the refining and petrochemicals industries have experienced alternating periods of tight supply, resulting in increased prices and profit margins, followed by periods of substantial increases in capacity, resulting in over-supply and declining prices and profit margins. The historical operating results of the Group have in part reflected this volatile and cyclical nature of the refining and petrochemicals industries. There is no guarantee that there will be future growth in demand for petrochemical products that is sufficient to take full advantage of the Group's current and projected production capacity.

An increase in the price at which the Group purchases crude oil, including as a result of any change in the level of Government support provided to the Group in the form of subsidised Bahrain crude oil, or any decline in the Group's refining margins, could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

#### ***Certain companies in the Group could face liabilities under environmental and safety laws***

Environmental contamination, toxicity and explosions from leakage and associated penalties are generally inherent risks to the oil and gas, refinery, pipeline and petrochemicals businesses. Companies in the Group must comply with all environmental laws and regulations which may affect their operations. These laws and regulations set various standards regulating certain aspects of health, safety, security and environmental quality, provide for civil and criminal penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. In addition, special provisions may be appropriate or required in environmentally sensitive areas of operation.

Liability could be imposed on members of the Group for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property purchased by the Group, acts of sabotage or non-compliance with environmental laws or regulations. For instance, in 2020, a leak was discovered in the Sitra to Arad pipeline operated by The Bahrain Aviation Fuelling Company B.S.C. (c) ("**BAFCO**") which resulted in a spill of approximately 3,000 litres of Jet A1 fuel, requiring BAFCO to clamp and repair defects identified in the pipeline. The repair was completed and a full investigation undertaken and shared with the BAFCO board of directors. Similarly, during the testing of a hydrant owned by BAC Jet Fuel Company W.L.L. ("**BJFCO**") a leak developed which resulted in the contamination of soil in the surrounding area, which was subsequently disposed of in accordance with the requirements of the Environmental Council. Such liability could have a material and adverse effect on the Group's business, results of operations, financial condition or prospects (either because of the cost implications for the Group or because of disruption to services provided at the relevant project or business). It may also result in a reduction of the value of the relevant project or business or affect the ability of the Group to dispose of such project or business.

The Group cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more stringent laws or regulations, or more vigorous enforcement policies of any regulatory authority, could in the future require material expenditures by the Group for the installation and operation of systems and equipment for remedial measures, any or all of which could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

#### ***There are numerous risks relating to hydrocarbon operations and production which may result in personal injury or result in damage to, or destruction of, the Group's assets and the environment, as well as interruption of the Group's operations***

The business of the Group is subject to all of the health, safety, security and environment and asset integrity risks normally associated with the exploration for, appraisal, development, production, storage, transportation and marketing of hydrocarbons. These risks include blowouts, explosions, fires, flammable liquid and gaseous leaks, any of which could cause personal injury, result in damage to, or destruction of, oil and gas wells or formations or production facilities and other property, equipment and the environment, as well as interrupt operations. In November 2016, a fire in the vapour air coolers at the Sitra Refinery led to the shutdown of the heavy vacuum gas

oil (“HVGO”) hydrocracker for four weeks. As a result of the integration of activities at the Sitra Refinery, the shut-down adversely impacted the production of lube base oils, due to the unavailability of feedstock.

There can be no guarantee that major incidents resulting in fatalities, damage to the Group’s assets and major disruption to the Group’s operations will not occur in future. Additionally, as many of the Group’s operations and production assets are concentrated in a single site, any such incidents could result in significant disruption to the Group’s operations. Such incidents, if they do occur, may, as well as delaying production, subject the Group to significant liabilities under environmental and safety laws and therefore could have a material and adverse effect on the Group’s business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***Costs associated with carbon dioxide emissions could significantly increase the Group’s costs and advances in alternative fuels could adversely affect demand for the Group’s products***

The Group expects continued political attention to issues concerning climate change and adaptation or mitigation through regulation that could materially affect the Group’s operations. Internationally, the United Nations Framework Convention on Climate Change and the Paris Agreement address greenhouse gas emissions. Carbon dioxide (“CO<sub>2</sub>”) is a by-product of the burning of fuels (including oil and gas), and is considered a greenhouse gas. The Group’s operations result in the emission of carbon dioxide. The Kingdom is a signatory of the Paris Agreement and the Paris Agreement has been ratified by the Kingdom. Compliance with the Paris Agreement may require reduction of CO<sub>2</sub> emissions in the Kingdom, and the responsibilities of Bahraini companies may change following the implementation of any CO<sub>2</sub> mitigation regulations. Such regulations could result in, for example, increased: (i) costs to operate and maintain the Group’s refineries, (ii) capital expenditures to install new emission controls at the Group’s refineries, and (iii) costs to administer and manage any potential greenhouse gas emissions or cap and trade or other control programmes. These increased operating and compliance costs could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects.

Additionally, changes in technology or consumer preferences that alter fuel choices or affect demand for fuel may negatively affect demand for the Group’s refined products. Technological advancements, lower-cost electricity and further developments in alternative energy sources may impact demand for the Group’s refined products. There can be no assurance that the Group will be successful in anticipating the rate of such change or be successful in identifying alternative sources of demand for its refined products, which could have a material adverse effect on the Group’s business, results of operations, financial condition and prospects and therefore the ability of the Company to meet its payment obligations under the Transaction Documents.

***The Group needs to maintain high capacity utilisation rates in its petrochemical plants in order to maintain its profit margins***

Earnings in the petrochemicals business are closely tied to global demand, industry inventory levels and plant capacity utilisation. The Group’s ability to maintain profitability depends, to a significant degree, on its ability to maintain high capacity utilisation rates in its petrochemical plants, which is the level of output each facility achieves in relation to its capacity.

The Group’s petrochemical plants are subject to a number of operational risks, including reduced utilisation rates due to planned activities such as maintenance or shutdowns; availability of skilled resources; unplanned outages which may, for example, be due to equipment or human failure; lower than expected recovery rates; the performance of the Group’s contractors; strikes and civil unrest; extended well workovers; corrosion problems impacting the plant and pipelines; health and safety incidents caused by third-party contractors; and exposure to natural hazards, such as extreme weather events. Any such incidents could be expected to adversely affect the Group’s business, results of operations, financial condition and prospects and therefore the ability of the Company to meet its payment obligations under the Transaction Documents.

The business activities conducted by the Group are often conducted with joint venture partners and some assets are under the day-to-day management of these partners and may therefore be subject to risks that are outside the control of the Group. Any operational incidents resulting from these risks could have a material and adverse effect on the Group’s business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

In addition, excess industry capacity, especially at times when demand is weak, has in the past caused companies in the Group and other industry participants to lower production rates, which may reduce the Group’s margins, income and cash flow. The failure by the portfolio companies in the Group to maintain high capacity utilisation

rates could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore the ability of the Company to meet its payment obligations under the Transaction Documents.

***The industries in which the Group operates are highly competitive***

The hydrocarbon and petrochemicals industries are highly competitive. The Group competes with companies that may possess greater technical, physical and/or financial resources. Many of these competitors engage in oil and gas exploration and production, carry on refining operations and market petroleum and other products on an international basis. As a result of these complementary activities, some of these competitors may have greater and more diverse competitive resources.

Worldwide and regional refining capacity expansions may also result in refining production capability exceeding refined product demand. If competitors increase their throughput, refining or petrochemical capacity in the future, some of the portfolio companies could face increased competition, which would put pressure on the prices of their products. This may ultimately lead to a reduction in refining margins for the Group.

Competition and innovation in the refined oil-products and lubricants industries may put pressure on the product prices the Group is able to charge customers. The implementation of the Group's strategy to remain competitive may require continued technological advances and innovation in its refining and downstream businesses. The implementation of these strategies may be costly and ineffective. The Group's financial condition and results of operations may be adversely affected if competitors develop or acquire intellectual property rights to technology or if the Group's innovation lags behind the rest of the industry.

If such portfolio companies are unable to compete effectively, both within and outside their industries, business, results of operations, financial condition or prospects could be materially and adversely affected, which could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***Economic recessions or downturns could impair the value of the Group's projects and investments or prevent it from increasing its project and investment base***

During periods of adverse economic conditions, projects and companies in which the Group invests may experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased funding costs. During such periods, these projects and companies may also have difficulty expanding their businesses and operations and be unable to meet their debt service obligations or other expenses as they become due. Any of the foregoing could cause the value of the affected projects and investments to decline and materially and adversely affect the ability of the Company's portfolio companies to pay dividends and make other distributions to the Company. In particular, the COVID-19 pandemic had a material adverse effect on economic conditions in Bahrain. See "*—We face risks with respect to the continuing effects of the COVID-19 pandemic*". In addition, during periods of adverse economic conditions, the Group may have difficulty accessing financial markets, which could make it more difficult or impossible to obtain funding for additional projects and investments and could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

**Risks relating to the Group's Other Strategic Investment Activities and Businesses**

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

The Company conducts due diligence and feasibility studies, sometimes with the assistance of outside consultants, by evaluating a number of important business, financial, tax, accounting, environmental and legal issues in determining whether or not to proceed with a new project or make a new investment. Nevertheless, when conducting due diligence and making an assessment regarding a project or an investment, the Company can only rely on resources available to it at the time, including information provided by the target of the investment where relevant and, in some circumstances, third party investigations. In some cases, information cannot be verified by reference to the underlying sources to the same extent as the Company could for information produced from its own internal sources. The Company can offer no assurance that any due diligence investigation it carries out with respect to any project or investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such opportunity. Any failure by the Company to identify relevant facts through the due diligence process may cause it to make inappropriate business decisions, and may expose it to significant liabilities

which the Company may not have been aware of, all of which could have a material and adverse effect on the Company's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

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

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

Investments in which the Company holds a non-controlling interest will be subject to the risk that the portfolio companies may make business, financial or management decisions with which the Company does not agree, or that the majority stakeholders or the management of the portfolio companies may take risks or otherwise act in a manner that is contrary to the Company's interests. Contractual protections of minority rights that are customary in more developed markets may not be enforceable or as robust in jurisdictions such as Bahrain in which the Company currently holds, or may in the future hold, assets. In addition, any of the companies in which the Company holds a non-controlling interest may experience financial or other difficulties that may adversely impact the Company's investment. The Company can give no assurance as to the performance of such portfolio companies, and its inability to exercise influence or control over such portfolio companies could have a material and adverse effect on the Company's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***The Group operates in heavily regulated industries, and changes in laws or regulations, or a failure to comply with any laws and regulations, may materially and adversely affect the Group's business***

The Group operates in the oil and gas and petrochemicals industries, which are heavily regulated. Laws and regulations governing these industries are complex and are subject to change. The Group also relies on various licences, permits, and approvals necessary to conduct business in Bahrain with respect to oil and gas operations and related activities. Any change to the laws, regulations, policies or practices relating to the oil and gas or petrochemicals industry, or any failure by the Group to obtain and renew any licence, permit, or approval that is required for its business, could have a material adverse effect on the Group's business, financial position and results of operations.

In particular, laws and regulations applicable to these industries may relate to licensing requirements, environmental obligations, health and safety obligations, asset and investment controls and a range of other requirements. The Group's oil and gas businesses are subject to a variety of laws and governmental regulations relating to the use, discharge and disposal of toxic or otherwise hazardous materials used by such businesses.

Laws and regulations applicable in the oil and gas and petrochemicals industries, and their interpretation and application, may change from time to time. Any such change of law, regulation or interpretation (or divergence of views by any authority from that of the Group's), or any actions taken by the Government under its regulatory powers relating to the oil and gas and petrochemicals industries in Bahrain, could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***The Group's insurance policies may not be sufficient to cover all risks that it faces***

The operations of the companies in the Group are subject to hazards and risks inherent in, among other things, refining and petrochemicals operations and in transporting and storing crude oil and refined products. Such hazards and risks include fires, explosions, pipeline ruptures and spills, storage tank leaks, chemical spills, discharges or releases of hazardous substances or gases and other environmental risks, mechanical failure of equipment at the Group's facilities, war, terrorism, sabotage and natural disasters. In addition, many of these operating and other risks may cause personal injury and loss of life, severe damage to or destruction of the Group's properties and the properties of others and environmental pollution which may result in suspension of operations and the imposition of civil or criminal penalties.

While the Company believes that the Group maintains insurance coverage in amounts consistent with relevant industry practice, if production facilities are damaged in whole or in part, or if such companies' operations are

interrupted for a sustained period, there can be no assurance that their insurance policies (including their business interruption insurance policies) will be adequate to cover the losses that may be incurred as a result of such interruption or the costs of repairing or replacing the damaged facilities. If the portfolio companies suffer large uninsured losses or if any insured loss suffered by a portfolio company significantly exceeds its insurance coverage, the business, results of operations, financial condition or prospects of such companies may be materially and adversely affected. If the foregoing were to occur, the ability of the portfolio companies within the Group to pay dividends and make other distributions to the Company, and the Group's revenue could be materially and adversely affected.

The Group maintains a range of insurance policies, including policies to guard against loss or damage to its assets and certain types of legal liability for loss or damage caused to third parties. The Group believes that its insurance provides coverage in amounts and on terms that are generally consistent with relevant industry practice. There is, however, no assurance that the Group's insurance coverage will continue to be available in the market or available at an acceptable cost. Further, the Group could be subject to a material loss to the extent that a claim is made against the Group which is not covered in whole or in part by insurance and for which third party indemnification is not available, which could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

***The ongoing military action between Russia and Ukraine could adversely affect the Group's business, financial condition and results of operations***

On 24 February 2022, Russian military forces invaded Ukraine, and sustained conflict and disruption in the region is likely. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict has led, and continues to lead, to significant market and other disruptions, including significant volatility in commodity prices and supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability, changes in consumer or purchaser preferences as well as an increase in cyberattacks and espionage.

Russia's recognition of separatist republics in the Zaporizhzhia, Kherson, Donetsk and Luhansk regions of Ukraine and subsequent military action against Ukraine have led to an unprecedented expansion of sanction programmes imposed by the United States, the European Union, the United Kingdom, Canada, Switzerland, Japan and other countries against Russia, Belarus, the Crimea, Zaporizhzhia and Kherson Regions of Ukraine, the so-called Donetsk People's Republic and the so-called Luhansk People's Republic, including, among others:

- blocking sanctions against some of the largest state-owned and private Russian financial institutions (and their subsequent removal from the Society for Worldwide Interbank Financial Telecommunication (SWIFT) payment system) and certain Russian businesses, some of which have significant financial and trade ties to the European Union;
- blocking sanctions against Russian and Belarusian individuals, including the Russian President, other politicians and those with government connections or involved in Russian military activities; and
- blocking of Russia's foreign currency reserves as well as expansion of sectoral sanctions and export and trade restrictions, limitations on investments and access to capital markets and bans on various Russian imports.

In retaliation against new international sanctions and as part of measures to stabilise and support the volatile Russian financial and currency markets, the Russian authorities also imposed significant currency control measures aimed at restricting the outflow of foreign currency and capital from Russia, imposed various restrictions on transacting with non-Russian parties, banned exports of various products and other economic and financial restrictions. The United States, the European Union, the United Kingdom and other countries may implement additional sanctions, export controls or other measures against Russia, Belarus and other countries, regions, officials, individuals or industries in the respective territories as the conflict continues to evolve. Such sanctions and other measures, as well as the existing and potential further responses from Russia or other countries to such sanctions, tensions and military actions, could adversely affect the global economy and financial markets and could, as a consequence thereof, adversely affect the Group's business, financial condition and results of operations.



To date, the Group has not experienced any material interruptions in its infrastructure, supplies, technology systems or networks needed to support its operations. The extent and duration of the military action, sanctions and resulting market disruptions could be prolonged and could potentially have substantial impact on the global economy and the Group's business for an unknown period of time. Any of the abovementioned factors could affect the Group's business, financial condition and results of operations and may affect the Group's ability to make the relevant payments under the Transaction Documents to which it is a party which are necessary in order to pay the amounts due under the Certificates.

### **Risks relating to Bahrain**

The Company and each of the portfolio companies in the Group is based in Bahrain and the Group is therefore susceptible to disruptions and/or adverse conditions that may arise as a result of local and regional political developments.

#### ***Bahrain is located in a region that has been subject to ongoing geopolitical and security concerns***

Bahrain is located in a region that is strategically important and parts of the region have, at times, experienced political instability. For example, the region is currently subject to a number of armed conflicts, including those in Afghanistan, Yemen, Sudan, Syria, Iraq and Palestine. Bahrain, along with other Arab states, is currently participating in the Saudi-led intervention in Yemen, which began in 2015 and is ongoing. The intervention was in response to requests for assistance from the Yemeni government.

On 14 September 2019, the Abqaiq processing facility and the Khurais oil field in Saudi Arabia were damaged in a major incident. The Al-Houthi rebels claimed responsibility for the act of sabotage, although this claim has not been verified and has been disputed. His Majesty the King condemned the incident and pledged Bahrain's full support for any measures taken in response by Saudi Arabia.

More generally, since 2011, the prospect of a nuclear Iran has been at the centre of international geopolitical discourse. On 8 May 2018, the United States announced its withdrawal from the comprehensive agreement between the U.N. Security Council's five permanent members plus Germany and Iran that was reached in July 2015, reinstating U.S. nuclear sanctions on the Iranian regime. The United States also announced that it would not renew exceptional waivers for importing Iranian oil for several oil-importing countries, effective from May 2019, and on 3 January 2020, the United States carried out a military strike which killed a senior Iranian military commander. As a result of this military strike, Iran launched missile attacks on U.S. forces based in Iraq. Any continuation or escalation of international or regional tensions regarding Iran, including further attacks on, or seizures of, oil tankers which disrupt international trade, including any impairment of trade flow through the Strait of Hormuz, or any military conflict, could have a destabilising impact on the Gulf region, including with respect to Bahrain and its ability to export oil.

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

#### ***Bahrain is subject to a number of ongoing domestic political risks***

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

Following widespread protests that occurred in February and March 2011, the Government has been unable to reach a political accommodation with certain political groups. His Majesty the King and His Royal Highness the Crown Prince initiated several rounds of national dialogue in 2011, 2013 and 2014 despite repeated withdrawals by opposition groups. In September 2014, a national dialogue framework document was produced, which laid out key steps for political reform. His Majesty the King signed into law a set of reforms to the distribution of electoral districts, and all political groups were encouraged to participate in the November 2014 parliamentary elections. However, certain opposition groups decided to boycott the November 2014 parliamentary elections. Nevertheless, 52.6 per cent. of eligible voters cast their vote and independent candidates won 37 of 40 seats.

Although Bahrain's security situation has stabilised over the past few years, since January 2017, there have been a number of protests in various villages, and there can be no assurance that further protests or unrest will not occur in the future. In the event that political unrest should take place, such a development could have an adverse material impact on foreign direct investment in Bahrain or on the country's reputation in the region, including its standing as a regional leader in the financial services sector. An unsettled political environment may also have negative implications on Bahrain's fiscal accounts and future growth trajectory. While the Government has already begun to implement a broader strategy to diversify its revenue base and cut expenditures further, progress has been hampered by political and religious factionalism. The lack of a broad political consensus that encompasses Bahrain's various political and religious groups may undermine the Government's ability to implement the full extent of its fiscal readjustment programme, and may hinder its efforts to reverse the rise in public debt in the near term.

Political instability in Bahrain and in the region may have a material adverse effect on Bahrain's economy and adversely affect the trading price of the Certificates. See also "*Risk Factors—Risks relating to Bahrain—Bahrain is located in a region that has been subject to ongoing geopolitical and security concerns*".

### ***Bahrain's economy remains significantly dependent on oil revenues and is vulnerable to external shocks***

Although the Government has sought to promote the growth of the non-oil sector and in 2022, the non-oil sector grew by 6.2 per cent. in real terms and 9.4 per cent. in nominal terms, as compared to 2021, Government revenues remain significantly dependent on oil revenues. Actual revenue from oil and gas accounted for approximately 69.0 per cent. of total public revenues for the year ended 31 December 2022, 68.2 per cent. for the year ended 31 December 2021, 59.2 per cent. for the year ended 31 December 2020, 72.0 per cent. for the year ended 31 December 2019 and 82.4 per cent. for the year ended 31 December 2018. Between 2014 and 2020, Bahrain's economy was impacted by a low oil price environment. In early March 2020, there was a substantial drop in global oil prices (by approximately U.S.\$11.00 per barrel) following Saudi Arabia's decision to cut export oil prices, as well as Russia and OPEC, failing to reach an agreement over proposed oil production cuts, and remained low due to the continuing impact of the COVID-19 pandemic. The average price of Brent in 2020 was U.S.\$41.74 per barrel, which was below the Government's budgeted price of U.S.\$60 per barrel for 2020. A continued low oil price environment in 2020 resulted in an increased fiscal deficit for 2020. However, in 2021 and 2022, demand for, as well as the price of, crude oil, surged as a result of reduced oil production during the COVID-19 pandemic and the impact of the conflict in Ukraine. On 8 March 2022, the price of Brent crude oil rose to a high of U.S.\$123.48 per barrel, the highest inflation-adjusted price since 2014. During the second half of 2022, crude oil prices generally decreased, as concerns about a possible economic recession reduced demand, and, on 8 December 2022, the price of Brent crude oil dropped to its lowest 2022 price of U.S.\$75.00 per barrel. On 7 March 2023, the U.S. Energy Information Administration's March 2023 Short-Term Energy Outlook forecast the price of Brent crude oil at U.S.\$82.95 per barrel in 2023 and U.S.\$77.57 per barrel in 2024. Bahrain's oil price estimate is set at U.S.\$50 per barrel in the 2021/2022 budget and the average oil price target in the FBP for 2023 is U.S.\$60 per barrel. However, there can be no assurance that oil prices will remain above the Government's budget or break-even amount or that the oil price will not decline again. If oil prices decline, Bahrain may not be able to materially increase production levels and offset the resulting revenue decline resulting from such oil price decreases. If Bahrain does not decrease public expenditure (or increase non-oil revenues), oil prices begin to fall and/or the COVID-19 pandemic resurges, this may lead to a widening in the fiscal deficit and adversely impact Bahrain's sovereign credit rating as well as its borrowing costs, which could in turn have a material and adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

Additional factors, such as the price and availability of new technologies, including renewable energy and unconventional oil and gas extraction methods, and the global geopolitical climate and other relevant conditions, have an indirect impact on oil demand and oil prices in Bahrain. Long-term effects may occur as a result of international regulatory efforts, such as the 2015 Paris Climate Agreement to curb greenhouse gas emissions and limit climate change. In addition, factors such as high energy costs could continue to drive up inflationary pressures and alter market expectations about future inflationary rates, which could negatively impact economic growth and hydrocarbons consumption. From March 2022 to May 2023, the Federal Reserve Bank of New York announced a number of large interest rate hikes, with the rate increasing from 0.25 per cent. to 5.25 per cent. during this period. The CBB increased its rates in line with these US Central Bank announcements. There can be no assurances that these factors, in combination with others, will not result in a decline in oil prices, which may continue to have an adverse effect on, among other things, Bahrain's GDP growth, Government revenues, balance of payments and foreign trade.

***Bahrain has had large fiscal deficits in recent years, its fiscal consolidation efforts may not be successful, leading to an increase in public debt and debt financing costs***

While Government revenues, in particular oil revenues, have declined in the past during periods of relatively low oil prices prior to an overall increasing trend since 2021, Government spending has been stable in recent years, although spending increased in 2020 (due to the need to increase spending to help combat the impact of the COVID-19 pandemic) leading to a larger fiscal deficit. Bahrain had an overall budget deficit of U.S.\$474 million in 2022 (according to preliminary estimated figures), as compared to overall budget deficits of U.S.\$2.5 billion in 2021, U.S.\$4.4 billion in 2020, U.S.\$1.8 billion in 2019 and U.S.\$2.4 billion in 2018. The oil price estimate was U.S.\$50 per barrel in the 2021/2022 budget. The average oil price target in the Government's revised Fiscal Balance Programme ("FBP") for 2023 is U.S.\$60 per barrel. Bahrain's budget deficit represented 1 per cent. of GDP in 2022, as compared to 6 per cent. of GDP in 2021, 13 per cent. of GDP in 2020, 5 per cent. of GDP in 2019 and 6 per cent. of GDP in 2018. The reduction in the budget deficit in 2022 was primarily due to an increase in oil and gas revenues as a result of the global increase in oil prices, as well as a result of a decrease in project expenditures from U.S.\$532 million in 2021 to U.S.\$505 million in 2022.

Bahrain's fiscal deficit in past years has resulted in increases in its public debt and debt-to-GDP ratio. Total outstanding Government debt (which includes loans from GCC members, but excludes borrowings from the CBB) was U.S.\$44.5 billion as at 31 December 2022, as compared to U.S.\$44.8 billion as at 31 December 2021, U.S.\$39.8 billion as at 31 December 2020, U.S.\$36.1 billion as at 31 December 2019 and U.S.\$33.1 billion as at 31 December 2018. The debt-to-GDP ratio was 99.1 per cent. as at 31 December 2022, as compared to 114.1 per cent. as at 31 December 2021, 114.5 per cent. as at 31 December 2020, 93.3 per cent. as at 31 December 2019 and 87.5 per cent. as at 31 December 2018, respectively. The Government's FBP (which was originally prepared prior to the COVID-19 pandemic) includes a number of economic targets, including an overall objective to achieve a balanced budget by 2024 (a two-year extension from the original target of 2022 was made in 2021, due to the impact of COVID-19 and lower oil prices). The Government is also seeking to reduce public spending through various fiscal consolidation programmes. There can be no assurance that the targets set out in the FBP or the implementation of FBP initiatives or other fiscal consolidation programmes will be in line with originally set out timeframes, or that such measures will achieve targeted outcomes.

The restructuring of the subsidies and incentives programmes may also be subject to significant opposition or delays from the National Assembly or the public. For example, the adoption of each of the 2017/2018 budget and the 2019/2020 budget was delayed due, in part, to continuing debate regarding the restructuring of subsidies and efforts to reduce public spending. Despite the Government's attempts to achieve fiscal consolidation without a significant effect on living standards, there is a possibility that this may lead to social instability among the lower income sections of society. Any social instability may lead to a degree of political instability and have a negative impact on investors' perceptions of Bahrain.

A failure to reduce the budget deficit and/or public spending (and the corresponding effect on the size of Bahrain's public debt), and a failure to diversify the economy, could make the economy more susceptible to the risks associated with the sectors in which the economy is concentrated (for example, the oil industry), and any downturn in such sectors or the economy generally, could have an adverse effect on the economic and financial condition of Bahrain.

***Bahrain's economy is dependent on economic and other conditions of GCC countries, including Saudi Arabia and the UAE***

Bahrain's economy is closely aligned with and dependent on the economies of GCC countries, including Saudi Arabia and the United Arab Emirates (the "UAE") in particular. This includes interest rates and trade and energy policies within the GCC. Based on IGA statistics, non-oil exports to GCC countries amounted to 37.3 per cent. of total non-oil exports as at 31 December 2022, and Saudi Arabia and the UAE accounted for 20.2 per cent. and 10.9 per cent., respectively, of the total non-oil exports, as compared to non-oil exports to GCC countries of 39.9 per cent. and non-oil exports to Saudi Arabia and the UAE of 19.8 per cent. and 13.1 per cent., respectively, in 2021. As for non-oil imports, 16.4 per cent. of total non-oil imports as at 31 December 2022 were from other GCC countries and Saudi Arabia and the UAE accounted for 5.7 per cent. and 8.3 per cent., respectively, of total non-oil imports, as compared to 15.9 per cent., 6.8 per cent. and 7.4 per cent., respectively, in 2021. Accordingly, Bahrain's economy may be adversely affected by any adverse change in the social, political or economic conditions in Saudi Arabia and the other GCC countries. See also "*Bahrain is located in a region that has been subject to on-going geopolitical and security concerns*". Although Bahrain has sought to diversify its geographical economic dependence, there can be no assurance that such geographical diversification will be successful which could have a material adverse effect on the economy and financial condition of Bahrain.

In recent years, Bahrain has benefitted from support from GCC countries. In October 2018, Saudi Arabia, Kuwait and the UAE pledged U.S.\$10 billion to Bahrain to support the FBP in 2018 and to alleviate near-term financing constraints. Bahrain had received a total of U.S.\$7.5 billion of this pledged sum as of 2022. Additionally, in October 2021, a joint statement made by the finance ministers of Saudi Arabia, Kuwait, and the UAE reiterated their support for Bahrain's FBP to achieve the goals set forth therein, alongside a two year extension to its targets.

***A crisis in the financial services and banking sectors could have an adverse effect on Bahrain's economy***

The Government has made concerted efforts over the past decade to encourage the growth of its financial services and banking sectors, and Bahrain is one of the primary financial centres for the Middle East and North Africa.

The financial services sector accounted for 17.1 per cent. of real GDP for the year ended 31 December 2020, 17.7 per cent. of real GDP in 2021 and 17.5 per cent. of real GDP in 2022. The Government is also a shareholder in various Bahraini banks, and Bahraini banks are major lenders to the Government. As at 31 December 2022, approximately 78.7 per cent. of domestic public debt was held by retail banks operating in Bahrain. In addition, retail banks maintain reserves and deposits with the CBB.

Furthermore, factors adversely affecting the asset quality, liquidity, capital adequacy or profitability of banks operating in Bahrain may add further pressure on the banking industry. While the loan to deposit ratio, the ratio of non-performing loans to gross loans and the ratio of liquid assets to total assets, which are key indicators of the state of the Bahraini banking sector, have remained broadly stable in recent years, any subsequent global or regional deterioration in the global financial services sector (including global commodity prices or any contagion effect in respect of recent disruptions in the global banking sector in March 2023, including the merger of UBS and Credit Suisse, as well as the failure of Silicon Valley Bank and Signature Bank) could have an adverse impact on Bahrain's economy, its extractive, financial, real estate and manufacturing sectors, and/or its credit rating. Further, given that the financial services sector has been the single largest non-oil contributor to GDP in recent years, a crisis in the sector could lead to the crystallisation of contingent liabilities on the Government's balance sheet. In addition, any sustained outflows of capital from Bahrain as a result of deteriorating global and/or regional financial conditions could place considerable pressure on the Bahraini Dinar's fixed exchange rate against the U.S. Dollar and adversely affect the trading price of the Certificates.

***Investing in securities involving emerging markets such as Bahrain generally involves a higher degree of risk***

Investing in securities involving emerging markets, such as Bahrain, generally involves a higher degree of risk than investments in securities of companies from more developed countries. Bahrain's economy is susceptible to future adverse effects similar to those suffered by other emerging market countries. International investors' reactions to the events occurring in one emerging market country sometimes appear to demonstrate a "contagion" effect, in which an entire region or class of investment is disfavoured by international investors. Bahrain could therefore be adversely affected by negative economic or financial developments in other emerging market countries which in turn could adversely affect the trading price of the Certificates. Key factors affecting the environment include the timing and size of further increases in interest rates in the United States, further evidence of a slowdown in China and geopolitical tensions in the Middle East, as well as the ongoing conflict between Russia and Ukraine (see "*—The ongoing military action between Russia and Ukraine could adversely affect the Group's business, financial condition and results of operations*").

Accordingly, there can be no assurance that the market for securities bearing emerging market risk, such as the Certificates, will not be affected negatively by events elsewhere, especially in emerging markets. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

***The Company's business may be materially and adversely affected if the Bahraini dinar/U.S. dollar peg were to be removed or adjusted***

The Company maintains its accounts, and reports its results, in BD, although it sells the majority of its products internationally in U.S.\$ . As at the date of these Base Listing Particulars, the Bahraini dinar remains pegged to the U.S. dollar, which has been the case since 1965. However, there can be no assurance that the Bahraini dinar will not be de-pegged in the future or that the existing peg will not be adjusted in a manner that materially and adversely affects the Company. Any such de-pegging could have a material and adverse effect on the Company's business, results of operations, financial condition and prospects and therefore on the ability of the Company to meet its payment obligations under the Transaction Documents.

## **FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH CERTIFICATES ISSUED UNDER THE PROGRAMME**

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

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

#### ***The Certificates may be subject to early dissolution***

In certain circumstances the Certificates may be subject to early dissolution. Where the Trustee has or will become obliged to pay any additional amounts in respect of the Certificates pursuant to Condition 10 (*Taxation*) or the Obligor has or will become obliged to pay any additional amounts in respect of amounts payable under the Transaction Documents as a result of a change in, or amendment to, the laws or regulations of a Relevant Taxing 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 the first Tranche of the relevant Series (as specified in the applicable Pricing Supplement) and such obligation cannot be avoided by the Trustee or the Obligor, as applicable, taking reasonable measures available to it, the Trustee will, following receipt of an Exercise Notice and payment of the Exercise Price by the Obligor upon due exercise of the Sale Undertaking redeem the Certificates, in whole but not in part, at an amount equal to the relevant Dissolution Distribution Amount on the relevant Early Tax Dissolution Date specified in the Exercise Notice in accordance with Condition 8.2 (*Early Dissolution for Taxation Reasons*).

If so provided in the applicable Pricing Supplement, a Series may be redeemed early at the option of the Obligor. In the case of Certificates with an additional optional dissolution feature, the Obligor may choose to redeem such Certificates when its cost of borrowing is 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 reinvestment risk in light of other investments available at that time. In addition, such an optional dissolution feature could limit the market value of Certificates prior to or during any period when the Obligor may elect to redeem Certificates as the market value of those Certificates generally would not rise substantially above the Dissolution Distribution Amount at which they can be redeemed.

The Certificates may also be redeemed prior to the Scheduled Dissolution Date if 75 per cent. or more of the initial aggregate face amount of the Certificates have been redeemed and/or purchased and cancelled at the option of the Obligor, pursuant to Condition 8.7 (*Dissolution at the Option of the Obligor (Clean-Up Dissolution Right)*).

#### ***The regulation and reform of “benchmarks” may adversely affect the value of Certificates linked to or referencing such “benchmarks”***

Profit rates and indices which are deemed to be “benchmarks” (including EURIBOR) are the subject of recent 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. Any such consequence could have a material adverse effect on any Certificates referencing such a benchmark.

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. Among other things, it: (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed); and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the “**UK Benchmarks Regulation**”) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable could have a material impact on any Certificates linked to, or referencing, a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or

the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, 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.

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.

Such factors may have (without limitation) the following effects on certain benchmarks: (a) discouraging market participants from continuing to administer or contribute to a benchmark; (b) triggering changes in the rules or methodologies used in the benchmark; and/or (c) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Certificates linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the Profit Rate (or the relevant component part thereof) on Floating Rate Certificates which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Certificates set out in the Conditions. Depending on the manner in which the Profit Rate is to be determined under the Conditions, this may result in the Profit Rate (or the relevant component part thereof) being set by reference to a Successor Rate or an Alternative Reference Rate (both as defined in the Conditions) which may be determined by an Independent Adviser (as defined in the Conditions) or the Obligor or lead to the effective application of a fixed rate based on the rate which applied in the previous period when the relevant benchmark was available, as further described below. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Certificates which reference a benchmark.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Conditions) occurs, including if an original Reference Rate (as defined in the Conditions) and/or any page on which an original Reference Rate may be published, or any successor service becomes unavailable or a Benchmark Event otherwise occurs. Such fallback arrangements include the possibility that the Profit Rate (or the relevant component part thereof) could be set by reference to a Successor Rate or an Alternative Reference Rate, with or without the application of an Adjustment Spread (as defined in the Conditions) and may include amendments to the Conditions, the Master Trust Deed and/or any other Transaction Document to ensure the proper operation of the successor or replacement benchmark, all as determined by an Independent Adviser, acting in good faith and following consultation with the Obligor, or the Obligor (acting in good faith and: (A) in the event that the Obligor is unable to appoint an Independent Adviser, in a commercially reasonable manner; or (B) in the event that the Independent Adviser fails to determine a Successor Rate, or failing which, an Alternative Reference Rate and/or, in either case, an Adjustment Spread in accordance with Condition 7.2(f) prior to the relevant IA Determination Cut-Off Date (as defined in Condition 7.2(f)), in consultation with the Independent Adviser), as applicable, and without the requirement for the consent or sanction of Certificateholders. An Adjustment Spread, if applied, is: (a) the spread, formula or methodology which is formally recommended in relation to the replacement of the original Reference Rate with the Successor Rate by any Relevant Nominating Body (as defined in the Conditions) (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities); (b) if no such recommendation has been made, or in the case of an Alternative Reference Rate, the spread, formula or methodology which the Independent Adviser (following consultation with the Obligor) determines is customarily applied to the relevant Successor Rate or the Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the original Reference Rate; (c) if the Independent Adviser (following consultation with the Obligor) determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate, as the case may be; or (d) if the Independent Adviser (following consultation with the Obligor) determines that there is no such industry standard, the Independent Adviser (following consultation with the Obligor) or the Obligor (as applicable) determines (acting in good faith and (A) in the event that the Obligor is unable to appoint an Independent Adviser, in a commercially reasonable manner;

or (B) in the event that the Independent Adviser fails to determine a Successor Rate, or failing which, an Alternative Reference Rate and/or, in either case, an Adjustment Spread in accordance with Condition 7.2(f) prior to the relevant IA Determination Cut-Off Date, in consultation with the Independent Adviser) in their sole discretion to be appropriate. Accordingly, the application of an Adjustment Spread may result in the Certificates performing differently (which may include payment of a lower Profit Rate) than they would do if the original Reference Rate were to continue to apply in its current form. If no Adjustment Spread can be determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Profit Rate (or the relevant component part thereof). The use of a Successor Rate or Alternative Reference Rate (including with the application of an Adjustment Spread) may still result in any Certificates linked to or referencing an original Reference Rate performing differently (which may include payment of a lower Profit Rate) than they would if the original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is determined, the ultimate fallback for the purposes of the calculation of the Profit Rate (or the relevant component part thereof) for the relevant immediately following Return Accumulation Period may result in the Profit Rate (or the relevant component part thereof) for the last preceding Return Accumulation Period being used. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, the involvement of an Independent Adviser and the potential for further developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark replacement provisions of Certificates in making any investment decision with respect to any Certificates linked to or referencing a benchmark.

## **Risks Related to the Certificates generally**

### ***The Certificates are limited recourse obligations***

The Certificates are not debt obligations of the Trustee. Instead, the Certificates represent an undivided ownership interest solely in the Trust Assets. Recourse to the Trustee in respect of each Series is limited to the Trust Assets of that Series and proceeds of such Trust Assets are the sole source of payments on the relevant Certificates. Upon the occurrence of a Dissolution Event, or any early redemption of the Certificates pursuant to Condition 8 (*Redemption and Dissolution of the Trust*), the sole rights of each of the Delegate and, through the Delegate, the Certificateholders of the relevant Series will be against the Obligor to perform its obligations under the Transaction Documents to which it is a party. Certificateholders will have no recourse to any assets of the Trustee (other than the Trust Assets) or the Obligor (to the extent that the Obligor fulfils all of its obligations under the Transaction Documents) in respect of any shortfall in the expected amounts due under the relevant Trust Assets, other than what is agreed under the Transaction Documents. The Obligor is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee and/or the Delegate. The Delegate will (in the name of the Trustee) have recourse against the Obligor to recover such payments due to the Trustee pursuant to the Transaction Documents to which it is a party. In the absence of default by the Delegate, investors have no direct recourse to the Obligor, and there is no assurance that the net proceeds of any enforcement action with respect to the Trust Assets (which, as described above, will be by way of enforcing each of the Obligor's and the Trustee's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the relevant Certificates. After enforcing or realising the rights in respect of the Trust Assets of a Series (in the manner described above) and the distribution of the net proceeds of such Trust Assets in accordance with Condition 5.2 (*Application of Proceeds from 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 be entitled in respect thereof to petition or take any steps for the winding up of the Trustee nor have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents. The sole right of the Trustee, the Delegate (acting in the name of the Trustee) and the Certificateholders (acting through the Delegate) against the Obligor shall be to enforce the obligation of the Obligor to perform its obligations under the Transaction Documents to which it is a party. The obligations of the Obligor under the Transaction Documents are unsecured and rank *pari passu* with the other unsecured indebtedness of the Obligor (subject to Condition 6.2 (*Negative Pledge*)).

***There is no assurance that the Certificates will be compliant with the principles of Islamic finance***

The Shari'a Supervisory Board of Citi Islamic Investment Bank E.C., HSBC Global Shariah Supervisory Committee, the Shari'a advisers of J.P. Morgan Securities plc and the Shari'ah Committee of NBB KSA have each confirmed that the Transaction Documents are, in their view, compliant with the principles of *Shari'a* as applicable to, and interpreted by, them. However, there can be no assurance that the Transaction Documents or the issue and trading of the Certificates will be deemed to be *Shari'a*-compliant by any other *Shari'a* committee or *Shari'a* scholars. Different *Shari'a* advisers, may form different opinions on identical issues and different *Shari'a* standards may be applied by different *Shari'a* boards and therefore potential investors should not rely on the above pronouncements in deciding whether to make an investment in the Certificates and should obtain their own independent *Shari'a* 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 *Shari'a* principles, including the tradability of the Certificates on any secondary market. Questions as to the *Shari'a* compliance of the Transaction Documents or the *Shari'a* permissibility of the issue and the trading of the Certificates may limit the liquidity and adversely affect the market value of the Certificates. None of the Trustee, the Obligor, the Arrangers, the Dealers, the Delegate or the Agents makes any representation as to the *Shari'a* compliance of the Certificates and/or any trading thereof, the Transaction Documents or the above pronouncements. In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties under the Transaction Documents (other than the Master Purchase Agreement, the Master Lease Agreement, any Supplemental Purchase Agreement, any Supplemental Lease Agreement, any sale agreement entered into pursuant to the Sale Undertaking, or any sale agreement entered into pursuant to the Purchase Undertaking, which are subject to the jurisdiction of the Bahraini Courts) may be, if in dispute, the subject of arbitration in London under the LCIA Arbitration Rules (subject to an option to bring an action in the English courts). In such circumstances, the arbitrator or judge will apply the relevant law of the relevant Transaction Document in determining the obligations of the parties.

***Shari'a requirements in relation to interest awarded by an arbitrator or court***

In accordance with applicable *Shari'a* principles, each of the parties to the Transaction Documents will waive all and any entitlement it may have to interest awarded in its favour by any arbitrator or court in connection with any dispute under any of the Transaction Documents to which it is a party. Should there be any delay in the enforcement of an arbitral award or judgment given against the Obligor, 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.

***The Trustee is a "covered fund" for purposes of the Volcker Rule, which could negatively affect the liquidity and the value of the Certificates***

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing regulations (the "**Volcker Rule**"), relevant "banking entities" (as defined under the Volcker Rule) are generally prohibited from, among other things, acquiring or retaining any equity, partnership, or other "ownership interest" in, or in "sponsoring", any "hedge fund" or "private equity fund", together "covered funds" (each as defined under the Volcker Rule). An "ownership interest" in a covered fund is broadly defined. In addition, in certain circumstances, the Volcker Rule restricts banking entities from entering into certain credit related transactions with covered funds.

A "hedge fund" and a "private equity fund" are defined widely, and include any issuer which would be required to register as an investment company under the Investment Company Act but for section 3(c)(1) or 3(c)(7) of that Act. As the Trustee is exempt from registration under the Investment Company Act in reliance on the exemption provided by section 3(c)(7) thereof, the Trustee will be a "covered fund" and acquisition of the Certificates is likely to be considered an acquisition of an "ownership interest" in a "covered fund" (as those terms are used in the Volcker Rule). In the absence of an available exemption, it is expected that the provisions of the Volcker Rule will severely limit the ability of U.S. banking entities (including controlled affiliates of U.S. banking institutions outside the United States) to hold an ownership interest in the Trustee. The marketability and liquidity of the Certificates may be significantly impaired if there is no available exemption.

Any entity that is a "banking entity" as defined under the Volcker Rule and is considering an investment in ownership interests (for purposes of the Volcker Rule) of the Trustee should consult its own legal advisers and consider the potential impact of the Volcker Rule in respect of such investment. Each investor is responsible for analysing its own position under the Volcker Rule and any similar measures and none of the Trustee, the Obligor, the Arrangers, the Dealers, the Delegate or the Agents makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Certificates, now or at any time in the future.



***Claims against the assets and revenues of the Obligor's investments (including its subsidiaries) are structurally subordinated to the claims of the creditors of the Obligor's subsidiaries and other portfolio companies***

The Obligor's investments (including its subsidiaries) have incurred, and will continue to incur in the future, substantial amounts of debt in order to finance their operations. In the event of the insolvency of any of the subsidiaries or other entities or ventures of the Obligor, claims of secured and unsecured creditors of such entity, including trade creditors, banks and other lenders, will have priority with respect to the assets of such entity over any claims that the Obligor or the creditors of the Obligor, as applicable, may have with respect to such assets. Accordingly, if the Obligor became insolvent at the same time, claims against the Obligor in respect of its obligations under the Transaction Documents would be structurally subordinated to the claims of all such creditors of the Obligor's investments (including its subsidiaries).

***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 and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Certificateholders, including Certificateholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Certificateholders who voted in a manner contrary to the majority.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Certificates and may be adversely affected if Individual Certificates are subsequently issued***

The Conditions do not permit the sale or transfer of Certificates in such circumstances as would result in amounts being held by a holder which are lower than the minimum Specified Denomination (as defined in the Conditions). However, in the event that a holder holds a principal amount of less than the minimum Specified Denomination, such holder would need to purchase an additional amount of Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Certificates. Certificateholders should be aware that Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

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 an Individual Certificate in respect of such holding (should Individual Certificates be issued) 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 an Individual Certificate.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

***Holders of Certificates held through DTC, Euroclear and Clearstream must rely on procedures of those clearing systems to effect transfers of Certificates, receive payments in respect of Certificates and vote at meetings of Certificateholders***

Certificates issued under the Programme will be represented on issue by one or more Global Certificates that may be deposited with a common depository for Euroclear and Clearstream or may be deposited with a nominee for DTC (each as defined under "*Form of the Certificates*"), as specified in the applicable Pricing Supplement. Except in the circumstances described in each Global Certificate, investors will not be entitled to receive Certificates in definitive form. Each of DTC, Euroclear and Clearstream and their respective direct and indirect participants will maintain records of the ownership interests in each Global Certificate held through it. While the Certificates are represented by a Global Certificate, investors will be able to trade their ownership interests only through the relevant clearing systems and their respective participants.

While the Certificates are represented by Global Certificates, the Trustee will discharge its payment obligations under the Certificates by making payments through the relevant clearing systems. A holder of an ownership interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants in relation to payments under the Certificates. Neither the Trustee nor the Obligor has any responsibility or liability for the records relating to, or payments made in respect of, ownership interests in any Global Certificate. Holders of ownership interests in a Global Certificate will not have a direct right to vote in respect of the Certificates so

represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Each of Euroclear, Clearstream and DTC are subject to different rules and operating procedures (see “*Clearing and Settlement*”); however, Certificateholders should note that Euroclear, Clearstream and DTC are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. Certificateholders are responsible for complying with the applicable rules of the relevant clearing system through which Certificates of a particular Series are held. Failure to do so could, among other things: (i) result in payment delays on the Certificates; (ii) make it difficult for the Certificateholders to pledge the Certificates as security; (iii) result in the inability of Certificateholders to vote at a meeting of Certificateholders; (iv) hinder the ability of the Certificateholders to resell Certificates.

#### ***Transferability of the Certificates may be limited under applicable securities laws***

The Certificates have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other jurisdiction. In addition, neither the Trustee nor the Obligor has registered and neither intends to register as an investment company under the Investment Company Act, in reliance on the exemption set forth in Section 3(c)(7) thereof. Certificates issued under the Programme may not be offered, sold or otherwise transferred in the United States or to, or for the account or benefit of a U.S. person other than to persons that are QIBs that are also QPs. In addition, each purchaser of a Certificate will be required to represent that it is not a Benefit Plan Investor or a plan that is subject to any Similar Law, as described under “*Certain ERISA Considerations*”. Each purchaser of the Certificates will be deemed, by its acceptance of such Certificates, to have made certain representations and agreements intended by the Trustee and the Obligor to restrict transfers of the Certificates as described under “*Subscription and Sale*” and “*Transfer Restrictions*”. It is the obligation of each purchaser of the Certificates to ensure that its offers and sales of the Certificates comply with all applicable securities laws.

In addition, if at any time the Trustee or the Obligor determines that any owner of Certificates, or any account on behalf of which an owner of Certificates purchased its Certificates, is a person that is required to be either a QIB that is also a QP and does not meet those requirements, or is a “benefit plan investor”, the Trustee or the Obligor may require that such owner’s Certificates be sold or transferred to a person designated by or acceptable to the Trustee and the Obligor.

#### **Risks related to the Lease Assets**

##### ***Ownership of the Lease Assets***

The *Shari’a* analysis is as follows: an ownership interest in the Assets (as defined in the Master Purchase Agreement), as the case may be, will pass to the Trustee under the Master Purchase Agreement, as supplemented by the relevant Supplemental Purchase Agreement (together, a “**Purchase Agreement**”), and the Trustee will lease the Lease Assets (as defined in the Conditions) to the Obligor pursuant to the Master Lease Agreement, as supplemented by the relevant Supplemental Lease Agreement (together, a “**Lease Agreement**”). The Trustee will declare a trust in respect of the relevant Lease Assets and the other Trust Assets in favour of the Certificateholders of the relevant Series pursuant to the Master Trust Deed, as supplemented by the relevant Supplemental Trust Deed (together, a “**Trust Deed**”). Accordingly, from a *Shari’a* perspective, the Certificateholders will, through the ownership interest obtained by the Trustee pursuant to the terms of the Purchase Agreement, have an ownership interest in the Lease Assets.

The Lease Assets will be selected by the Obligor, and the Certificateholders, the Trustee, the Delegate and the Agents will have no ability to influence such selection. Only limited representations will be obtained from the Obligor in respect of the Lease Assets. No steps are intended to be taken to perfect the legal transfer of the ownership interest (including registration if required as a matter of law) in the Lease Assets with any relevant regulatory authority in Bahrain and, therefore, the Trustee would not have any legal title to any Lease Assets.

Further, although the *Shari’a* analysis is such that an ownership interest in the Lease Assets should pass to the Trustee under the relevant Purchase Agreement, the Certificateholders will not have any rights of enforcement as against the Lease 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 Lease Assets pursuant to the terms of the Master Trust Deed and the Purchase Undertaking. See further “—*Limitations relating to the indemnity provisions under the Purchase Undertaking and the Master Trust Deed*”.

##### ***Transfer, possession, custody or control of the Lease Assets***

No investigation has been or will be made as to whether any Lease Assets may be transferred as a matter of the law governing the relevant Transaction Documents pursuant to which any such transfer is made, the law of the jurisdiction where the relevant securities or assets are located or any other relevant law. No investigation will be made to determine if the relevant Purchase Agreement or any sale agreement, as the case may be, will have the effect of transferring an interest in any Lease Asset. No investigation will be made to determine if The Oil & Gas Holding Company B.S.C. (c) does in fact have constructive possession, custody or control of the Lease Assets at any time.

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

The Obligor has undertaken in the Purchase Undertaking and the Master Trust Deed that: (i) if, at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, The Oil & Gas Holding Company B.S.C. (c) remains in actual or constructive possession, custody or control of all or any part of the Lease Assets, the Certificateholder Put Right Lease Assets, the Change of Control Put Right Lease Assets or the Tangibility Event Certificateholder Put Right Lease Assets, as the case may be; and (ii) if, following delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, the Exercise Price, the Certificateholder Put Right Exercise Price, the Change of Control Put Right Lease Assets or the Tangibility Event Certificateholder Put Right Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, the Company shall (as an independent, severable and separately enforceable obligation), fully indemnify the Trustee for the purpose of redemption in full of the Certificates then outstanding or the Certificates being redeemed pursuant to the Certificateholder Put Right, the Change of Control Put Right or the Tangibility Event Put Right, as the case may be and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Certificateholder Put Right Exercise Price, as the case may be.

Subject to the satisfaction of the conditions in (i) and (ii) as described above, if the Obligor fails to pay the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Certificateholder Put Right Exercise Price in accordance with the Purchase Undertaking, the Delegate (on behalf of the Certificateholders) may, subject to the matters set out in Condition 12 (*Dissolution Events*) 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 legal or arbitral proceedings.

However, investors should note that, in the event that The Oil & Gas Holding Company B.S.C. (c) does not remain in actual or constructive possession, custody or control of all or any part of the Lease Assets at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking (notwithstanding its obligation in the relevant Lease Agreement to remain in actual or constructive possession, custody or control of the relevant Lease Assets at all times), the condition in (i) as described above will not be satisfied and, therefore, no amount will be payable by the Obligor under the relevant indemnity.

Accordingly, in such circumstances, the Delegate (on behalf of the Certificateholders) may be required to establish that there has been a breach of contract by the Obligor and prove for damages (as opposed to making a contractual indemnity claim). Such breach of contract may be due to: (i) a breach by the Obligor of the requirement to purchase the Trustee's rights, title, interests, benefits and entitlements in, to and under the Lease Assets on the relevant Dissolution Date pursuant to the provisions of the Purchase Undertaking; and/or (ii) a breach by The Oil & Gas Holding Company B.S.C. (c) (acting in its capacity as lessee pursuant to the provisions of the Master Lease Agreement) of its undertaking to maintain actual or constructive possession, custody or control of all of the Lease Assets.

As a result, the Delegate (on behalf of the Certificateholders) may not be able to recover, or may face significant challenges in recovering, the full amount due from the Obligor pursuant to the Purchase Undertaking or any other Transaction Documents, and therefore the amounts of principal and profit payable to the Certificateholders upon redemption. The Obligor will irrevocably undertake in the Purchase Undertaking that the payment in full of such indemnity in accordance with the Purchase Undertaking shall evidence the acceptance of the relevant Exercise Notice by the Obligor and the conclusion of the transfer of the rights, title, interest, benefits and entitlements of the Trustee in, to and under the relevant Lease Assets to the Obligor.

If the Obligor fails to comply with its obligations under the Purchase Undertaking and does not pay the relevant Exercise Price for any reason, the Delegate will seek to enforce the above provisions of the Purchase Undertaking. To the extent that it obtains an arbitration award or an English court judgment, it may seek to enforce that judgment or award in a Bahraini Court. It is likely that, in any action heard by them, the Bahraini Courts (if they do not simply enforce the judgment or arbitral award (see "*Risks associated with enforcing arbitral awards and foreign judgments in Bahrain*") would view the transaction as a whole and seek to uphold the intention of the parties to treat the arrangements as a financing transaction on the terms agreed and thereby require payment by the Obligor of an amount equal to the relevant Exercise Price in accordance with the terms

of the Purchase Undertaking and/or the Trust Deed, although this matter has not been tested by the Bahraini Courts.

***The occurrence of a Partial Loss Event could result in the Certificates of the relevant Series being redeemed early***

If a Partial Loss Event occurs with respect to the Lease Assets of a Series, the Lessee may, on or before the 30<sup>th</sup> day after the Partial Loss Event (and provided that the relevant Impaired Assets have not already been replaced in accordance with the Service Agency Agreement), deliver to the Lessor a Partial Loss Termination Notice, pursuant to which the Lease shall automatically terminate on the 61<sup>st</sup> day after the date of the Partial Loss Event (the “**Partial Loss Event Date**”). If the Lessee does not serve a termination notice on or before the 30<sup>th</sup> day after the Partial Loss Event but fails to replace the relevant Lease Assets on or before the 60<sup>th</sup> day after the Partial Loss Event Date, the Lease shall automatically terminate on the 61<sup>st</sup> day after the Partial Loss Event occurred and such termination of the Lease in either of the circumstances set out in this paragraph shall constitute an Obligor Event, following which the Certificates of the relevant Series may be redeemed in full in accordance with the Conditions. A “**Partial Loss Event**”, in relation to a particular Series, is defined as the partial impairment of one or more of the Lease Assets in a manner that substantially deprives the Lessee of the benefits expected from the whole of the Lease Assets, as determined by the Lessee and the occurrence of which: (a) has been certified in writing by a recognised independent industry expert; (b) has not arisen as a result of the Lessee’s negligence or misconduct; and (c) does not constitute a Total Loss Event.

**Risks related to taxation**

***The U.S. Internal Revenue Service may treat the Certificates as an interest in the Trust for federal income tax purposes, which may result in the Trust and U.S. investors being subject to significant penalties and other adverse tax consequences.***

The Trustee intends to treat the Certificates under the rules applicable to debt instruments for U.S. tax purposes. Under such treatment, U.S. investors will not be required to take account of income and expenses incurred at the level of the Trust. However, the U.S. Internal Revenue Service (“**IRS**”) could seek to characterise the Certificates as interests in a trust for U.S. federal income tax purposes. In that event, if the Trust is determined to be a grantor trust, the Trustee and U.S. investors would be subject to certain information reporting applicable to foreign trusts and U.S. investors would be required to take account of income and expenses incurred at the level of the Trust. U.S. investors that fail to comply with the applicable information reporting requirements in a timely manner could be subject to significant penalties. The Trustee does not expect that it will provide information that would allow either itself or U.S. investors to comply with foreign trust reporting obligations if they were determined to be applicable.

If the Certificates are treated as interests in the Trust and the Trust is not treated as a grantor trust, it is possible that the U.S. investors could be treated as holding interests in a passive foreign investment company (“**PFIC**”) which could have materially adverse tax consequences to U.S. investors. U.S. investors should consult their tax advisers as to the potential application of the foreign trust reporting rules, the possibility that the Certificates will be classified as equity interests in a PFIC, and the consequences of owning an equity interest in a PFIC and the tax consequences generally with respect to an investment in the Certificates. See the discussion under “*Taxation—United States Federal Income Taxation*”.

**Risks related to the market generally**

***An active secondary market in respect of the Certificates may never be established or may be illiquid and if a Tangibility Event occurs, the Certificates will be delisted, and in each case, this would adversely affect the value at which an investor could sell its Certificates***

Certificates issued under the Programme will (unless they are to be consolidated into a single Series with any Certificates previously issued) be new securities which may not be widely distributed and for which there is currently no active trading market. Certificates may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Certificates easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for the Certificates that are especially sensitive to profit rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. Such illiquidity may have a significant adverse effect on the market value of the Certificates.

In addition, if a Tangibility Event occurs: (i) as determined in consultation with the *Shari’a* Adviser, the Certificateholders will be notified that the Certificates should only be tradable in accordance with the *Shari’a*

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); (ii) Certificateholders will be given the option to have some or all of their Certificates redeemed; and (iii) thereafter, the Certificates will be delisted from the Official List. Accordingly, a Tangibility Event may have significant adverse effect on the liquidity and market value of the Certificates.

#### ***Investors may be unable to rely on credit ratings for regulatory purposes in certain circumstances***

One or more independent credit rating agencies may assign credit ratings to Certificates issued under the Programme. However, in certain circumstances, investors regulated in the EEA or in the UK, as applicable, may be unable to rely on credit ratings assigned to a particular Series of Certificates for regulatory purposes.

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). The list of registered and certified rating agencies published by the 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: (a) endorsed by a UK registered credit rating agency; or (b) 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.

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 these Base Listing Particulars.

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

The Trustee will pay all amounts due on any Certificates in the Specified Currency (as defined in the Conditions). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Certificates; (ii) the Investor's Currency equivalent value of the Redemption Amount (as defined in the Conditions) payable on the Certificates; and (iii) the Investor's Currency equivalent market value of the Certificates. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less than expected, or no payment at all.

#### **Risks relating to enforcement in Bahrain**

##### ***Risks associated with enforcing arbitral awards and foreign judgments in Bahrain***

The Group primarily conducts its operations, and substantially all of its assets are located, in the Kingdom of Bahrain. The Transaction Documents (other than the Master Purchase Agreement, the Master Lease Agreement, any Supplemental Purchase Agreement, any Supplemental Lease Agreement, any sale agreement entered into

pursuant to the Sale Undertaking, or any sale agreement entered into pursuant to the Purchase Undertaking, which are subject to the jurisdiction of Bahraini Courts), the Conditions, and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

Any dispute in relation to the Transaction Documents (other than the Master Purchase Agreement, the Master Lease Agreement, any Supplemental Purchase Agreement, any Supplemental Lease Agreement, any sale agreement entered into pursuant to the Sale Undertaking, or any sale agreement entered into pursuant to the Purchase Undertaking, which are subject to the jurisdiction of Bahraini Courts), the Conditions, and any non-contractual obligations arising out of or in connection with them, may be referred to arbitration in London, England under the London Court of International Arbitration Rules. Bahrain has ratified the New York Convention and the party seeking to enforce the arbitral award must supply: (a) the duly authenticated/ apostilled original or a duly certified copy of the award; and (b) the original or a duly certified copy of the arbitration agreement. Any arbitral award rendered in London should therefore be enforceable in Bahrain in accordance with the terms of the New York Convention.

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

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

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

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

In addition, the Ministerial Order permits the use of the English language in proceedings before Bahraini Courts and the Bahrain Chamber for Dispute Resolution and also covers the submission of documents in evidence in the English language, provided that certain conditions as set out in the Ministerial Order are met, including the language of the underlying agreement being the English language or the choice of the English language for pleading before the courts is expressly agreed between the relevant parties. Nevertheless, this matter has not been tested, and it is possible that the Bahraini Courts may nevertheless require pleadings and documents to be submitted in the Arabic language or accompanied by a duly authenticated Arabic translation approved by the official translator of the Bahraini Courts even where the conditions as set out in the Ministerial Order have been met.

Under the Conditions, any dispute may also be referred to the courts of England (who shall have exclusive jurisdiction to settle any dispute arising from such documents) if the Certificateholder(s) require. In these circumstances, the Obligor irrevocably agrees to submit to the exclusive jurisdiction of the courts of England. Further, notwithstanding the agreement to submit to the exclusive jurisdiction of the English courts, there is a possibility that the Bahraini Courts may assume jurisdiction where any defendants in a claim filed before the Bahraini Courts has an elected domicile or place of residence in Bahrain.

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

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

As there has been no reciprocity between England and Bahrain and the United States and Bahrain, the Bahraini Courts are unlikely to enforce an English court judgment or a United States court judgment without requesting that a fresh case is filed in the Bahraini Courts which may lead to the possibility that the Bahraini Courts may re-examine the merits of the claim although the Bahraini Courts may also accept the English court judgment or the United States court judgment as evidence of a debt. The choice by the parties of English law as the governing law of the transaction will be recognised by the Bahraini Courts provided that the provisions thereof are (i) proved, as a matter of evidence, by the party relying on it; and (ii) not contrary to Bahraini public order and morality.

Judicial precedents in Bahrain generally do not have binding effect on subsequent decisions except as a directive for decisions of the Constitutional Court. Although decisions rendered by the Court of Cassation do not have binding effect on lower courts, the present practice is for the lower courts to adhere to the precedents and principles laid down by the Court of Cassation. There is no formal system of reporting court decisions in Bahrain except for those decisions of the Court of Cassation and the Constitutional Court.

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

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

Generally, where provisions relating to profit payments are provided for in an agreement, the Bahraini Courts may give effect to such a provision so long as the agreement between the parties which provides for payment of profit is a commercial agreement relating to commercial activities. However, no assurance can be given that the requirements of reciprocity of enforcement will be met, and therefore prospective investors should note that, if such requirements are not met, the terms of the Certificates might not be enforced by the Bahraini Courts.

### ***Claims for specific enforcement***

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

The amount of damages, which a court may award in respect of a breach, will depend upon a number of possible factors including an obligation on the Certificateholders 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 under the Conditions, and therefore prospective investors should note that, if damages are awarded, they may receive less than they would had an order for specific performance been granted.

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

To the extent permitted by law, the Obligor has waived its rights in relation to sovereign immunity (including, without limitation, Article 15(1) of the Execution Law in Civil and Commercial Matters (promulgated by Legislative Decree Law No. 22 of 2021) (the "**Execution Law**")). However, there can be no assurance as to whether such waiver of immunity from execution or attachment or other legal process by it under the Transaction

Documents and the Conditions is valid and binding under the laws of Bahrain. If the waiver of immunity is not valid and binding, there is a risk that the waiver may not be able to be enforced against the Obligor.

Investors should be aware that, pursuant to Article 15(1) of the Execution Law, it is not possible to seize or execute on the assets of the state, and in related proceeding brought in the Bahraini Courts to enforce or seek recognition of a judgment or award obtained outside of Bahrain, the waiver of immunity would not be given effect to the extent that it violates Article 15(1) of the Execution Law.



## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents, which have previously been filed with Euronext Dublin shall be deemed to be incorporated in, and form part of, these Base Listing Particulars:

- (a) the 2022 Financial Statements, as set out on pages 7 to 93 of the following link:  
[https://www.nogaholding.com/en/uploads/2022\\_Financial\\_Statements\\_Signed.pdf](https://www.nogaholding.com/en/uploads/2022_Financial_Statements_Signed.pdf);
- (b) the 2021 Financial Statements, as set out on pages 7 to 84 of the following link:  
[https://www.nogaholding.com/en/uploads/2021\\_\\_Nogaholding\\_\\_FS\\_\\_Signed\\_.pdf](https://www.nogaholding.com/en/uploads/2021__Nogaholding__FS__Signed_.pdf); and
- (c) the Terms and Conditions of the Certificates contained on pages 47 to 90 (inclusive) in the base listing particulars dated 30 March 2021 prepared by the Trustee and the Obligor in connection with the Programme, at [https://www.nogaholding.com/en/uploads/hl2djtil\\_4xy.pdf](https://www.nogaholding.com/en/uploads/hl2djtil_4xy.pdf).

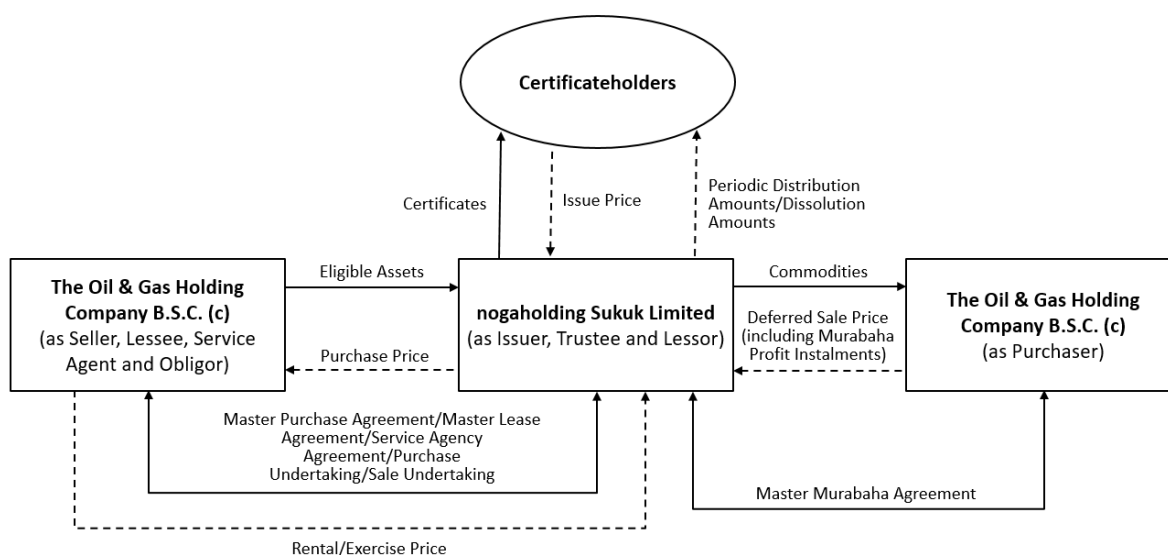
Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in these Base Listing Particulars is either not relevant to investors or is covered elsewhere in these Base Listing Particulars and, for the avoidance of doubt, unless specifically incorporated by reference into these Base Listing Particulars, information contained on the above-mentioned website does not form part of these Base Listing Particulars.

If at any time the Trustee shall be required to prepare supplementary listing particulars pursuant to Rule 3.10 of the GEM Rules, the Trustee will prepare and make available an appropriate amendment or supplement to these Base Listing Particulars which, in respect of any subsequent issue of Certificates to be listed on the Official List and admitted to trading on the Global Exchange Market, shall constitute supplementary listing particulars as required by Euronext Dublin and the GEM 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 these Base Listing Particulars or in a document which is incorporated by reference in these Base Listing Particulars. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of these Base Listing Particulars.

## STRUCTURE DIAGRAM AND CASH FLOWS

Set out below is a simplified structure diagram and description of the principal cash flows relating to the Certificates. This does not purport to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the more detailed information appearing elsewhere in these Base Listing Particulars. Potential investors are referred to the Conditions and the detailed descriptions of the relevant Transaction Documents set out elsewhere in these Base Listing Particulars for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below. Potential investors should read these entire Base Listing Particulars carefully, especially the risks of investing in Certificates issued under the Programme discussed under “Risk Factors”.



### Payments by the Certificateholders and the Trustee

On the issue date of each Tranche of Certificates under a Series (the “**Issue Date**”), the Certificateholders will pay the issue price in respect of the Certificates of such Tranche (the “**Issue Price**”) to the Trustee.

The Trustee will use the Issue Price of each Tranche under a Series as follows:

- (a) an amount as specified in the applicable Pricing Supplement, which shall be no more than 45 per cent. of the aggregate face amount of the relevant Certificates (the “**Murabaha Investment Amount**”), will be used to purchase certain *Shari’a*-compliant commodities (the “**Commodities**”) through the Commodity Agent and the Trustee will sell such Commodities to the Obligor (in its capacity as buyer, the “**Buyer**”) on a deferred payment basis for a sale price (the “**Deferred Sale Price**”) equal to the aggregate of (i) the relevant Murabaha Investment Amount and (ii) a profit amount (the “**Murabaha Profit**”), pursuant to a murabaha contract (the “**Murabaha Contract**”) (such sale of *Shari’a*-compliant commodities by the Trustee to the Obligor and all of the Trustee’s rights and entitlements against the Obligor (in its capacity as buyer) in connection therewith being the “**Commodity Murabaha Investment**” with respect to the relevant Tranche); and
- (b) the remaining portion of the Issue Price (the “**Asset Purchase Price**”) will be used to purchase and accept the transfer from the Obligor (in such capacity, the “**Seller**”) of the Seller’s interests, rights, title, benefits and entitlements, present and future, in, to and under certain real estate assets or tangible non real estate related assets located in Bahrain that are free and clear of all encumbrances, are legally and beneficially owned by the Seller and are capable of being sold and leased (each, an “**Eligible Asset**”) specified in the relevant Supplemental Purchase Agreement (in the case of the first Tranche of the relevant Series, the “**Initial Assets**” or, in the case of the each subsequent Tranche of the relevant Series, the “**Additional Assets**”).

## Periodic Distribution Payments

The Trustee (as lessor, in such capacity, the “**Lessor**”) shall lease the Initial Assets, any Additional Assets and any Replacement Lease Assets (as defined in the Service Agency Agreement) (in each case, as may be substituted from time to time in accordance with the Sale Undertaking, and excluding any such assets title to which has been sold or transferred to the Obligor under the terms of the Purchase Undertaking and/or the Sale Undertaking (as applicable)) (together, the “**Lease Assets**”) of each Series to the Obligor (as lessee, in such capacity, the “**Lessee**”) pursuant to the terms of the Master Lease Agreement and the relevant Supplemental Lease Agreement in consideration for the payment of Rental on the Business Day immediately preceding each Periodic Distribution Date (each such date being a “**Rental Payment Date**”).

The Rental due on a Rental Payment Date shall be an amount equal to the Periodic Distribution Amount payable under the relevant Certificates in respect of the corresponding Periodic Distribution Period *less* instalments of the Murabaha Profit (the “**Murabaha Profit Instalment**”) payable with respect to such Periodic Distribution Period. Such Rental and Murabaha Profit Instalments shall together be sufficient to fund the Periodic Distribution Amounts payable by the Trustee in respect of the relevant Certificates.

In relation to a Series, all Rental and Murabaha Profit Instalments will be recorded by the Service Agent in a book-entry ledger account maintained by the Service Agent (the “**Collection Account**”). On the Business Day prior to each Periodic Distribution Date (each, a “**Distribution Determination Date**”), the Service Agent shall pay all amounts standing to the credit of the Collection Account into the Transaction Account.

## Dissolution Payments

On the Business Day prior to the relevant Scheduled Dissolution Date in relation to each Series:

- (a) the outstanding Deferred Sale Price under each Murabaha Contract relating to that Series shall be due and payable; and
- (b) the Trustee will have the right under the Purchase Undertaking to require the Obligor to purchase all of the Trustee’s interests, rights, title, benefits and entitlements, present and future, in, to and under the relevant Lease Assets in consideration for payment by the Obligor of the Exercise Price.

The outstanding Deferred Sale Price payable by the Obligor under the Master Murabaha Agreement and the Exercise Price payable by the Obligor under the Purchase Undertaking together are intended to fund the Dissolution Distribution Amount payable by the Trustee under the relevant Certificates.

The Certificates in relation to any Series may be redeemed in whole or in part, as the case may be, prior to the Scheduled Dissolution Date for the following reasons: (i) for taxation reasons, (ii) if so specified in the applicable Pricing Supplement as being applicable, at the option of the Trustee, (iii) if so specified in the applicable Pricing Supplement as being applicable, at the option of the Certificateholders, (iv) at the option of the Certificateholders following a Change of Control, (v) at the option of the Certificateholders following a Tangibility Event, (vi) for clean-up reasons, (vii) provided that the Lease Assets have not been replaced in accordance with the Service Agency Agreement, following a Total Loss Event, and (viii) following a Dissolution Event.

In the case of each of (i), (ii), (iii), (iv), (v), (vi) and (viii) above, such redemption of the Certificates shall be funded in a similar manner as for the payment of the relevant Dissolution Amount on the Scheduled Dissolution Date, save that, in the case of (i) and (ii) only, The Oil & Gas Holding Company B.S.C. (c) shall have the right under the Sale Undertaking to require the Trustee to sell, transfer and convey to it all of the Trustee’s rights, title, interest, benefits and entitlements in, to and under, the Lease Assets at the Exercise Price.

In the case of (vii) above, on the Total Loss Dissolution Date:

- (a) the Trustee shall have the right under the Service Agency Agreement to receive all insurance proceeds relating to the Lease Assets together with, if applicable, any Loss Shortfall Amount payable by the Service Agent in connection therewith; and
- (b) aggregate amounts of Deferred Sale Price then outstanding, if any, shall become immediately due and payable under the Master Murabaha Agreement.

## TERMS AND CONDITIONS OF THE CERTIFICATES

*The following is the text of the terms and conditions that, subject to completion and as modified in accordance with the provisions of the applicable Pricing Supplement, will apply to each Global Certificate and the Certificates in definitive form (if any). The applicable Pricing Supplement will be endorsed upon, or attached to, each Global Certificate and each Certificate in definitive form (if any). Reference should be made to the “applicable Pricing Supplement” for a description of the content of the Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Certificates.*

### 1. INTRODUCTION

#### 1.1 Programme

nogaholding Sukuk Limited (in its capacities as issuer and as trustee, the “**Trustee**”), has established a trust certificate issuance programme (the “**Programme**”) for the issuance of trust certificates (the “**Certificates**”), from time to time representing obligations of The Oil & Gas Holding Company B.S.C. (c) (the “**Obligor**”), in a maximum aggregate face amount of U.S.\$3,000,000,000 (or the equivalent in other currencies calculated as described in the amended and restated dealer agreement between the Trustee, the Obligor and the Dealers (as defined and named therein) dated 15 May 2023 (the “**Dealer Agreement**”), or such other maximum aggregate face amount as increased in accordance with the terms of the Dealer Agreement.

As used herein, “**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: (a) are expressed to be consolidated and form a single series; and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts (as defined below) thereon and the date from which Periodic Distribution Amounts start to accrue.

In these Conditions, references to “**Certificates**” shall be references to the Certificates (whether in global form as a Restricted Global Certificate (as defined herein) and/or an Unrestricted Global Certificate (as defined herein), as the context may require (each, a “**Global Certificate**”) or in definitive form as definitive Certificates (each, an “**Individual Certificate**”)) which are the subject of the applicable Pricing Supplement.

#### 1.2 Pricing Supplement

Certificates issued under the Programme are issued in Series. Each Series is the subject of a pricing supplement (the “**Pricing Supplement**”) which supplements these terms and conditions (the “**Conditions**”). Each Series may comprise one or more Tranches issued on different Issue Dates (as defined below). The terms and conditions applicable to any particular Series of Certificates are these Conditions as supplemented by the applicable Pricing Supplement.

#### 1.3 Trust Deed

The Certificates are constituted by an amended and restated master trust deed dated 15 May 2023 between the Trustee, the Obligor and Citibank N.A., London Branch in its capacity as donee of certain powers and as the Trustee’s delegate (the “**Delegate**”, which expression shall include all persons for the time being the delegate or delegates under such master trust deed) (the “**Master Trust Deed**”) as supplemented by a supplemental trust deed entered into on the date of issue of the relevant Certificates (the “**Issue Date**”) in respect of the relevant Series (the “**Supplemental Trust Deed**” and, together with the Master Trust Deed, the “**Trust Deed**”).

#### 1.4 Agency Agreement

An amended and restated agency agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 15 May 2023 has been entered into in relation to the Programme between the Trustee, the Obligor, the Delegate, Citibank N.A., London Branch as initial principal paying agent, paying agent and transfer agent, Citibank Europe plc as registrar and the other agents named in it.

## 1.5 Other Transaction Documents

These Conditions are subject to the detailed provisions of the Trust Deed, the Agency Agreement and the other Transaction Documents (as defined below). The Certificateholders (as defined below) are bound by, and are deemed to have notice of, all the provisions applicable to them in the Transaction Documents. Copies of the Transaction Documents are available for inspection, on prior notice, during normal business hours at the Specified Office of the Principal Paying Agent.

## 1.6 Authorisation

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Trustee, on behalf of the Certificateholders: (i) to apply the proceeds of the issue of the Certificates towards the purchase of the relevant Lease Assets and the entry into of a Commodity Murabaha Investment (in the proportions to be determined prior to the relevant Issue Date and otherwise in accordance with the provisions of the Transaction Documents); and (ii) to enter into each Transaction Document to which it is a party, subject to the terms and conditions of the Trust Deed and these Conditions.

## 2. DEFINITIONS AND INTERPRETATION

### 2.1 Definitions

In these Conditions, the following expressions have the following meanings:

“**Additional Business Centre(s)**” means the city or cities specified in the Pricing Supplement;

“**Additional Financial Centre(s)**” means the city or cities specified in the Pricing Supplement;

“**Agents**” means the Principal Paying Agent, the Calculation Agent, the Registrars and the Transfer Agents or any of them and shall include such Agent or Agents as may be appointed from time to time under the Agency Agreement;

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

“**Broken Amount**” has the meaning given in the applicable Pricing Supplement;

“**Business Day**” means:

- (a) in relation to any sum payable in euros, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euros, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**” has the meaning given to it in Condition 7.6 (*Business Day Convention*);

“**Calculation Agent**” means, in relation to any Series of Certificates, the institution appointed as calculation agent for the purposes of such Certificates and named as such in the applicable Pricing Supplement, in the case of the Principal Paying Agent pursuant to the Agency Agreement, in the case of a Dealer, pursuant to the calculation agent provisions contained in clause 8 (*Calculation Agent*) of the Dealer Agreement;

“**Calculation Amount**” has the meaning given in the applicable Pricing Supplement;

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

“**Certificateholder**” has the meaning given in Condition 3.2 (*Title to Certificates*);

**“Certificateholder Put Exercise Notice”** has the meaning given to it in Condition 8.4 (*Dissolution at the Option of Certificateholders (Certificateholder Put Right)*);

**“Certificateholder Put Right”** means the right specified in Condition 8.4 (*Dissolution at the Option of Certificateholders (Certificateholder Put Right)*);

**“Certificateholder Put Right Date”** means, in relation to any exercise of the Certificateholder Put Right, (i) in the case of Fixed Rate Certificates, any date, or the date(s) specified as such in the applicable Pricing Supplement; and (ii) in the case of Floating Rate Certificates, any Periodic Distribution Date, or the Periodic Distribution Dates specified as such in the applicable Pricing Supplement;

**“Change of Bapco Control”** shall occur each time the Obligor: (a) ceases to own, legally and beneficially, directly or indirectly, in aggregate, more than 51 per cent. of the issued share capital of Bahrain Petroleum Company B.S.C. (c) (“**Bapco**”); or (b) otherwise ceases to control (directly or indirectly) Bapco and “control” for these purposes shall be the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of Bapco or to control or have the power to control the affairs and policies of Bapco (in each case whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise);

**“Change of Control”** shall occur if there is a: (a) Change of Obligor Control; or (b) Change of Bapco Control;

**“Change of Control Exercise Notice”** has the meaning given to it in Condition 8.5 (*Dissolution of the Option of Certificateholders (Change of Control Put Right)*);

**“Change of Control Put Date”** shall be the date which is 10 Business Days after the expiry of the Change of Control Put Period;

**“Change of Control Put Notice”** has the meaning given to it in Condition 8.5 (*Dissolution of the Option of Certificateholders (Change of Control Put Right)*);

**“Change of Control Put Period”** has the meaning given to it in Condition 8.5 (*Dissolution of the Option of Certificateholders (Change of Control Put Right)*);

**“Change of Control Put Right”** means the right exercisable by Certificateholders pursuant to Condition 8.5 (*Dissolution of the Option of Certificateholders (Change of Control Put Right)*);

**“Change of Obligor Control”** shall occur each time the government of the Kingdom of Bahrain or any other department, agency or authority wholly-owned by the government of the Kingdom of Bahrain: (a) sells, transfers or otherwise disposes of any of the issued share capital of the Obligor, other than to an entity, directly or indirectly, wholly-owned by the government of the Kingdom of Bahrain; or (b) otherwise ceases to control (directly or indirectly) the Obligor and “control” for these purposes shall be the power to appoint and/or remove all of the members of the board of directors or other governing body of the Obligor or to control or have the power to control the affairs and policies of the Obligor (in each case whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise);

**“Clean-Up Dissolution Date”** means, in relation to any exercise of the Clean-Up Dissolution Right, (i) in the case of Fixed Rate Certificates, any date; and (ii) in the case of Floating Rate Certificates, any Periodic Distribution Date;

**“Clean-Up Dissolution Right”** means the right specified in Condition 8.7 (*Dissolution at the Option of the Obligor (Clean-Up Dissolution Right)*);

**“Clearstream”** means Clearstream Banking S.A.;

**“Code”** means the U.S. Internal Revenue Code of 1986, as amended;

**“Commodities”** means any of the commodities traded over the counter, which comprise any *Shari'a* compliant London Metal Exchange approved non-ferrous base metals, platinum group metals, or other

*Shari'a* compliant commodities (excluding gold, silver, copper and platinum) acceptable to the Obligor and the Trustee, which, in each case, must be kept in London Metal Exchange approved, non-United Kingdom bonded warehouses or secure vaults;

“**Commodity Murabaha Investment**” means, in relation to a Series, the sale of certain Commodities by the Trustee to the Obligor (in its capacity as the Buyer (as defined in the Master Murabaha Agreement)), which Commodities were initially purchased by the Trustee using a proportion of the proceeds of the issue of the Certificates, pursuant to the Master Murabaha Agreement;

“**Corporate Services Agreement**” means the corporate services agreement dated 30 March 2021 between the Obligor, the Trustee and the Corporate Service Provider;

“**Corporate Service Provider**” means Walkers Fiduciary Limited;

“**Day Count Fraction**” means, in respect of the calculation of an amount of profit on any Certificates for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Return Accumulation Period, the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the applicable Pricing Supplement and:

- (a) if “**Actual/Actual (ICMA)**” is so specified, means:
- (i) where the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of: (A) the actual number of days in such Determination Period; and (B) the number of Determination Periods in any year; and
  - (ii) where the Calculation Period is longer than one Determination Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of: (1) the actual number of days in such Determination Period; and (2) the number of Determination Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of: (1) the actual number of days in such Determination Period; and (2) the number of Determination Periods in any year,

where:

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

“**Determination Date**” means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Periodic Distribution Date(s);

- (a) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of: (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (c) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (d) if “**30/360**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

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

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;



“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless: (i) that day is the last day of February; or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless: (i) that day is the last day of February but not the Scheduled Dissolution Date; or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

**provided, that** in each such case, the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

“**Deferred Sale Price**” means the deferred sale price payable by the Obligor to the Trustee in respect of the Commodity Murabaha Investment as further described in the Master Murabaha Agreement;

“**Delegation**” has the meaning given to it in Condition 17.1 (*Delegation of powers*);

“**Designated Maturity**” means the period of time specified as such in the applicable Pricing Supplement;

“**Dissolution Date**” means, in relation to a particular Series, as the case may be:

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

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

- (a) the sum of:
  - (i) the outstanding face amount of such Certificate; and
  - (ii) any accrued but unpaid Periodic Distribution Amounts for such Certificate; or
- (b) such other amount specified in the applicable Pricing Supplement as being payable upon any Dissolution Date;

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

**“Dissolution Event Redemption Date”** has the meaning given to it in Condition 12.1 (*Dissolution Event*);

**“Dissolution Notice”** has the meaning given to it in Condition 12.1 (*Dissolution Event*);

**“DTC”** means The Depository Trust Company;

**“Early Tax Dissolution Date”** has the meaning given to it in Condition 8.2 (*Early Dissolution for Taxation Reasons*);

**“Euroclear”** means Euroclear Bank SA/NV;

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

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

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

**“Fixed Amount”** means the amount specified as such in the applicable Pricing Supplement;

**“Fixed Rate Certificates”** means a Series in respect of which “Fixed Rate Certificate Provisions” are specified as applicable in the applicable Pricing Supplement;

**“Floating Rate Certificates”** means a Series in respect of which “Floating Rate Certificate Provisions” are specified as applicable in the applicable Pricing Supplement;

**“Group”** collectively, the Obligor and any of its consolidated subsidiaries and associates;

**“Guarantee”** means, in relation to any indebtedness of any Person, any obligation of another Person to pay such indebtedness including (without limitation): (a) any obligation to purchase such indebtedness; (b) any obligation to lend money, to purchase or subscribe for shares or other securities or to purchase assets or services in order to provide funds for the payment of such indebtedness; (c) any indemnity against the consequences of a default in the payment of such indebtedness; and (d) any other agreement to be responsible for such indebtedness or other like obligation;

**“Holder”** has the meaning given in Condition 3.2 (*Title to Certificates*);

**“Indebtedness”** means any debt or other financing arrangement issued (or intended to be issued) in compliance with the principles of *Shari’a*, whether entered into directly or indirectly by the Trustee or the Obligor, as the case may be;

**“Issue Date”** has the meaning given to it in Condition 1.3 (*Trust Deed*);

**“Lease Assets”** has the meaning given to it in the Master Lease Agreement;

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

**“Linear Interpolation Designated Maturity”** means the period of time designated in the relevant Reference Rate;

“**Local Banking Day**” means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the city in which the Principal Paying Agent has its Specified Office;

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

“**Margin**” has the meaning given in the applicable Pricing Supplement;

“**Master Lease Agreement**” means the amended and restated master lease agreement dated 15 May 2023 between the Trustee (as lessor) and the Obligor (as lessee);

“**Master Murabaha Agreement**” means the amended and restated master murabaha agreement dated 15 May 2023 and made between the Trustee and the Obligor (as buyer);

“**Master Purchase Agreement**” means the amended and restated master purchase agreement dated 15 May 2023 between the Trustee (as purchaser) and the Obligor (as seller);

“**Maximum Optional Dissolution Amount**” means the amount specified as such in the applicable Pricing Supplement;

“**Minimum Optional Dissolution Amount**” means the amount specified as such in the applicable Pricing Supplement;

“**minimum Specified Denomination**” means the minimum denomination of each Certificate, which shall not be less than U.S.\$200,000 (or, if the Certificate are denominated in a currency other than U.S. dollars, the equivalent amount in such currency as at the date of the issue of the Certificate);

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

“**Obligor Event**” means, with respect to any Series, any of the following events:

- (a) *Non-payment*: the Obligor (acting in any capacity) fails to pay any amount in the nature of profit or rental payable by it pursuant to any Transaction Document to which it is a party and the failure continues for a period of 14 days, or the Obligor (acting in any capacity) fails to pay an amount in the nature of principal payable by it pursuant to any Transaction Document to which it is a party and the failure continues for a period of seven days; or
- (b) *Breach of other obligations*: the Obligor (acting in any capacity): (i) delivers a notice to the Trustee and the Delegate pursuant to clause 6.1(d) of the Service Agency Agreement; or (ii) defaults in the performance or observance of, or compliance with any of its other obligations or undertakings in respect of the Transaction Documents relating to such Series (other than its obligations set out in: (A) clauses 6.1 and 6.5 of the Service Agency Agreement; and (B) clause 12.2 of the Service Agency Agreement (save for the delivery of a Tangibility Event Trustee Notice)), and either such default is, in the opinion of the Delegate, not capable of remedy or such default (if capable of remedy) continues unremedied for 45 days after written notice to remedy such default, addressed to the Obligor by the Trustee or the Delegate, has been delivered to the Obligor; or
- (c) *Partial Loss Termination Event*: the occurrence of a Partial Loss Termination Event; or
- (d) *Cross-acceleration of the Obligor*:
  - (i) any other indebtedness of the Obligor becomes due and payable prior to its stated maturity by reason of default (howsoever described);

- (ii) any indebtedness of the Obligor is not paid when due; or
- (iii) any amount payable under any Guarantee given by the Obligor of any indebtedness is not paid when due,

and, in the case of either sub-paragraph (ii) or (iii) above, such failure continues beyond any originally applicable grace period, *provided* that the amount of indebtedness referred to in sub-paragraph (i) above and/or (ii) and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above, as applicable, either alone or when aggregated with all other indebtedness in respect of which such an event shall have occurred and be continuing shall be more than U.S.\$30,000,000 (or its equivalent in any other currency or currencies); or

- (e) *Unsatisfied Judgment*: one or more judgments or orders for the payment of any sum in excess of U.S.\$30,000,000 is rendered against the Obligor and continues unsatisfied, unstayed and unappealed (or, if appealed, the appeal is unsuccessful and thereafter the judgment continues unsatisfied and unstayed for a period of 30 days) for a period of 30 days after the date thereof; or
- (f) *Security Enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Obligor and securing an amount which equals or exceeds U.S.\$30,000,000 (or its equivalent in any other currency or currencies) becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator, manager or other similar person, but excluding the issue of any notification to the Obligor that such Security Interest has become enforceable) unless the full amount of the debt which is secured by the relevant Security Interest is discharged within 30 days of the first date on which a step is taken to enforce the relevant Security Interest; or
- (g) *Insolvency*: the Obligor is adjudicated or found bankrupt or insolvent; or
- (h) *Insolvency Proceedings*: proceedings are initiated against the Obligor under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator, liquidator or other similar official (and such proceedings are not being actively contested in good faith); or
- (i) *Consent to Proceedings*: the Obligor initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or enters into any composition or other similar arrangement with its creditors generally save, in all cases, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Certificateholders; or
- (j) *Winding-up*: an administrator or other receiver, manager, liquidator or other similar official is appointed in relation to the Obligor, or as the case may be, in relation to all or substantially all of its business or operations, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Obligor (and such proceedings are not being actively contested in good faith by the Obligor), or the Obligor shall apply or petition for a winding-up or administration order in respect of itself or cease or through an official action of its board of directors threaten to cease to carry on all or substantially all of its business or operations, which in each case (other than the appointment of an administrator) is not discharged within 30 days, and except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Certificateholders; or
- (k) *Moratorium*: the Obligor shall have declared a general moratorium on the payment of principal of, or profit on, all or any part of its indebtedness; or
- (l) *Unlawfulness*: for any reason whatsoever, the obligations under the Certificates of such Series or the Transaction Documents are, or become, or are claimed by the Obligor to be, unlawful or

are declared by a court of competent jurisdiction to be no longer legal, valid, binding on, or no longer enforceable against, the Obligor; or

- (m) *Validity*: the Obligor contests the validity of such Series of Certificates or the Transaction Documents to which it is a party or the Obligor denies any of its obligations under such Series of Certificates or the Transaction Documents to which it is a party; or
- (n) *Repudiation*: the Obligor repudiates or challenges, or does or causes to be done any act or thing evidencing an intention to repudiate or challenge, the Certificates or the relevant Transaction Document to which it is a party; or
- (o) *Analogous Events*: any event occurs that under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (e) to (k) above (inclusive).

**“Optional Dissolution Date”** means, in relation to any exercise of the Optional Dissolution Right, (i) in the case of Fixed Rate Certificates, any date, or the date(s) specified as such in the applicable Pricing Supplement; and (ii) in the case of Floating Rate Certificates, any Periodic Distribution Date, or the Periodic Distribution Dates specified as such in the applicable Pricing Supplement;

**“Optional Dissolution Right”** means the right specified in Condition 8.3 (*Dissolution at the Option of the Obligor (Optional Dissolution Right)*);

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

**“Partial Loss Event”** means, in relation to each Series, the partial impairment of one or more of the Lease Assets in a manner that substantially deprives the Lessee of the benefits expected from the whole of the Lease Assets, as determined by the Lessee and the occurrence of which: (a) has been certified in writing by a recognised independent industry expert; (b) has not arisen as a result of the Lessee’s negligence or misconduct; and (c) does not constitute a Total Loss Event;

**“Partial Loss Termination Event”** means, with respect to any Series, the termination of the Lease on the 61<sup>st</sup> day after the occurrence of a Partial Loss Event as a result of either: (a) delivery by the Obligor of a Partial Loss Termination Notice to the Trustee on or before the 30<sup>th</sup> day after the Partial Loss Event in accordance with clause 7.2(a) of the Master Lease Agreement; or (b) failure by the Obligor to replace the relevant Impaired Assets on or before the 60<sup>th</sup> day after the date of the Partial Loss Event in accordance with clause 7.1 of the Service Agency Agreement;

**“Paying Agents”** means the Principal Paying Agent and such further or other paying agent or agents as may be appointed from time to time under the Agency Agreement;

**“Payment Business Day”** means:

- (a) if the currency of payment is euros, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, 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
- (b) if the currency of payment is not euros, any day which is:
  - (i) a day on which banks in the relevant place of presentation are open for presentation and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, 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;

**“Periodic Distribution Amount”** has the applicable meanings given to it in Condition 7 (*Periodic Distribution Amounts*);

**“Periodic Distribution Date”** means the date or dates specified as such in the applicable Pricing Supplement;

**“Permitted Security Interest”** means:

- (a) any Security Interest upon property or assets incurred for the purpose of financing the acquisition or construction, improvement or repair of such property or asset or any renewal or extension of any such Security Interest, which is limited to the original property or asset covered thereby and which secures any renewal or extension of the original secured financing;
- (b) any Security Interest existing on any property or asset at the time of its acquisition and any renewal or extension of any such Security Interest which is limited to the original property or asset covered thereby and which secures any renewal or extension of the original secured financing;
- (c) any Security Interest existing on the date on which agreement is reached to issue the first Tranche of the relevant Series of Certificates;
- (d) any Security Interest arising by operation of law or which arose pursuant to any order of attachment, distraint or similar legal process arising in connection with court proceedings so long as the execution or other enforcement thereof is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings;
- (e) any Security Interest granted to secure a Non-recourse Project Financing or to secure any indebtedness incurred in connection with a Securitisation; and
- (f) any renewal of or substitution for any Security Interest permitted by any of sub-paragraphs (a) to (e) above (inclusive) so long as the Relevant Indebtedness secured by such Security Interest is for an amount no greater than the principal of such Relevant Indebtedness and the Security Interest does not extend to any additional property or assets (other than the proceeds of such assets);

**“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organisation, trust or any other juridical entity, whether or not having separate legal personality;

**“Principal Financial Centre”** means, in relation to any currency, the principal financial centre for that currency *provided*, that:

- (a) in relation to euros, it means the principal financial centre of such member state of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**“Principal Paying Agent”** means Citibank N.A., London Branch or any successor appointed as principal paying agent under the Programme pursuant to the Agency Agreement in respect of each Series of Certificates in its capacities: as (i) principal paying agent for such Series; and (ii) the account bank with which the Transaction Account for each such Series is established;

**“Profit Commencement Date”** means the Issue Date or such other date as may be specified in the applicable Pricing Supplement;

**“Profit Period Date”** means each Periodic Distribution Date unless otherwise specified in the applicable Pricing Supplement;

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

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

“**Purchase Undertaking**” means the amended and restated purchase undertaking dated 15 May 2023 and granted by the Obligor for the benefit of the Trustee and the Delegate;

“**Record Date**” has the meaning given to it in Condition 9.4 (*Record Date*);

“**Reference Banks**” means the four major banks selected by the Obligor in the market that is most closely connected with the Reference Rate;

“**Reference Price**” has the meaning given in the applicable Pricing Supplement;

“**Reference Rate**” has the meaning given in the applicable Pricing Supplement;

“**Register**” has the meaning given to it in Condition 3.3 (*Ownership*);

“**Registrar**” means, in respect of each Series of Certificates, Citibank Europe plc or any successors thereto in each case as registrar under the Agency Agreement (or such other registrar as may be appointed from time to time either generally in relation to the Programme or in relation to a specific Series);

“**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 in accordance with Condition 18 (*Notices*);

“**Relevant Financial Centre**” has the meaning given in the applicable Pricing Supplement;

“**Relevant Indebtedness**” means indebtedness (including any Sukuk Obligation) which is in the form of, or represented by, any bond, debenture, note or other similar instrument and as of the date of its issue is, or is capable of being, quoted, listed or ordinarily purchased and sold on any stock exchange, automated trading system or over-the-counter or other securities market;

“**Relevant Powers**” has the meaning given to it in Condition 17.1 (*Delegation of powers*);

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the applicable Pricing Supplement, 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**” has the meaning given in the applicable Pricing Supplement;

“**Relevant Taxing Jurisdiction**” means: (i) in the case of the Trustee, the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax; or (ii) in the case of the Obligor, the Kingdom of Bahrain (“**Bahrain**”) or any political subdivision or any authority thereof or therein having the power to tax;

“**Reserved Matter**” has the meaning given to it in Condition 16.1 (*Meetings of Certificateholders*);

“**Restricted Global Certificate**” means a Global Certificate initially representing Certificates which are sold to QIBs who are also QPs in reliance on Rule 144A, in registered form;

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

“**Sale Undertaking**” means the amended and restated sale undertaking dated 15 May 2023 and granted by the Trustee for the benefit of the Obligor;

“**Scheduled Dissolution Date**” means the date specified as such in the applicable Pricing Supplement;

“**Security Interest**” means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance securing any obligation of any Person or any other type of arrangement having a similar effect over any assets or revenues of any Person;

“**Service Agency Agreement**” means the amended and restated service agency agreement dated 15 May 2023 between the Trustee and the Service Agent;

“**Service Agent**” means the Obligor acting in its capacity as service agent under the Service Agency Agreement;

“**Shari’a Adviser**” has the meaning given to it in the Service Agency Agreement;

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

“**Specified Denomination(s)**” means the amount(s) specified as such in the applicable Pricing Supplement;

“**Specified Office**” has the meaning given in the Agency Agreement;

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

“**Tangibility Event**” shall occur if the Tangibility Ratio falls below 33 per cent., other than as a result of a Total Loss Event or a Partial Loss Event;

“**Tangibility Event Delisting Date**” shall be the date falling 10 days after the Tangibility Event Put Date (or, if such date is not a business day, the next following business day (being, for this purpose, a day on which each stock exchange on which the Certificates have been admitted to listing is open for business));

“**Tangibility Event Notice**” has the meaning given to it in Condition 8.6 (*Dissolution of the Option of Certificateholders (Tangibility Event Put Right)*);

“**Tangibility Event Put Date**” shall be the first Business Day falling 50 days after the expiry of the Tangibility Event Put Period;

“**Tangibility Event Put Period**” has the meaning given to it in Condition 8.6 (*Dissolution of the Option of Certificateholders (Tangibility Event Put Right)*);

“**Tangibility Event Put Right**” means the right exercisable by Certificateholders pursuant to Condition 8.6 (*Dissolution of the Option of Certificateholders (Tangibility Event Put Right)*);

“**Tangibility Ratio**” means, at any time, the ratio of (a) the aggregate value of the Lease Assets to (b) the aggregate of (i) the aggregate value of the Lease Assets and (ii) the aggregate amounts of each outstanding Deferred Sale Price relating to the relevant Series;



“**T2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer System;

“**TARGET Business Day**” means a day on which the T2 is operating;

“**TARGET Settlement Day**” means any day on which the T2 or any successor or replacement for T2 is open for the settlement of payments in euro;

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

“**Total Loss Event Dissolution Date**” has the meaning given to it in Condition 8.8 (*Dissolution following a Total Loss Event*);

“**Total Loss Event Notice**” has the meaning given to it in Condition 8.8 (*Dissolution following a Total Loss Event*);

“**Transaction Account**” means, in relation to a particular Series, the non-interest bearing transaction account in London established by the Trustee and held with Citibank N.A., London Branch denominated in the Specified Currency, details of which are set out in the applicable Pricing Supplement into which, among other things, the Obligor will deposit all amounts due to the Trustee under the Transaction Documents;

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

- (a) the Master Trust Deed as supplemented by the relevant Supplemental Trust Deed;
- (b) the Agency Agreement;
- (c) the Master Purchase Agreement as supplemented by the applicable supplemental purchase agreement;
- (d) the Master Lease Agreement as supplemented by the applicable supplemental lease agreement;
- (e) the Sale Undertaking (together with each relevant sale agreement executed upon exercise of the Sale Undertaking);
- (f) the Purchase Undertaking (together with each relevant sale agreement executed upon exercise of the Purchase Undertaking);
- (g) the Master Murabaha Agreement; and
- (h) the Service Agency Agreement

(together with all offers, acceptances and confirmations delivered pursuant to any of the foregoing in connection with the relevant Series);

“**Transfer Agent**” means, in respect of each Series of Certificates, Citibank N.A., London Branch or any successors thereto in each case as transfer agent under the Agency Agreement (and such further or other transfer agents as may be appointed from time to time either generally in relation to the Programme or in relation to a specific Series);

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

“**Trust Assets**” has the meaning given to it in Condition 5.1 (*Trust Assets*);

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

- (a) *Non-payment*: the Trustee fails to pay any Dissolution Distribution Amount, any Periodic Distribution Amount or any other amount (whether in the nature of principal or profit or otherwise) in respect of the Certificates on the due date for payment thereof and such failure has continued for a period of seven days in the case of any Dissolution Distribution Amount or 14 days in the case of any Periodic Distribution Amount; or
- (b) *Breach of other obligations*: the Trustee does not perform, comply with or observe any one or more of its other duties, obligations or undertakings in respect of the Transaction Documents which default is, in the opinion of the Delegate, incapable of remedy, or, if in the opinion of the Delegate is capable of remedy is not, in the opinion of the Delegate, remedied within the period of 45 days after written notice of such default shall have been given by the Delegate to the Trustee requiring the same to be remedied; or
- (c) *Enforcement Proceedings*: any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Trustee and is not discharged or stayed within 60 days; or
- (d) *Insolvency*: the Trustee is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or any part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Trustee; or
- (e) *Winding-up*: an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Trustee, or the Trustee shall apply or petition for a winding-up or administration order in respect of itself or cease or through an official action of its board of directors threaten to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by an Extraordinary Resolution of the Certificateholders; or
- (f) *Illegality*: it is or will become unlawful for the Trustee to perform or comply with any one or more of its respective obligations under any of the Certificates or the Transaction Documents, **provided that** such unlawfulness has or is reasonably likely to affect the interests of the Certificateholders in any material respect; or
- (g) *Repudiation*: the Trustee repudiates or challenges, or does or causes to be done any act or thing evidencing an intention to repudiate or challenge, the Certificates or any Transaction Document to which it is a party; or
- (h) *Analogous Events*: any event occurs which under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraphs (c) to (e) (inclusive) above.

For the purpose of paragraph (a) (*Non-payment*) above of this definition, all amounts payable in respect of the Certificates shall be considered due and payable (including any amounts expressed to be payable under Condition 7 (*Periodic Distribution Amounts*)) notwithstanding that the Trustee has at the relevant time insufficient funds or relevant Trust Assets to pay such amounts (whether as a result of the application of Condition 5.2 (*Application of Proceeds from Trust Assets*) or otherwise) subject always to Condition 4.2 (*Limited Recourse*); and

“**Unrestricted Global Certificate**” means a Global Certificate initially representing Certificates offered and sold in reliance on Regulation S, which will be sold to persons who are not U.S. persons outside the United States, in registered form.

## 2.2 Interpretation

In these Conditions:

- (a) all references to “**Euroclear**” and/or “**Clearstream**” and/or “**DTC**” shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Pricing Supplement;
- (b) all references to the “**face amount**” of a Certificate shall be deemed to include the relevant Dissolution Distribution Amount, any additional amounts (other than relating to Periodic Distribution Amounts) which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of face amounts payable pursuant to these Conditions;
- (c) all references to “**Periodic Distribution Amounts**” shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of a profit distribution payable pursuant to these Conditions;
- (d) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the applicable Pricing Supplement, but the applicable Pricing Supplement gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Certificates; and
- (e) any reference to any “**Transaction Document**” shall be construed as a reference to such Transaction Document as amended and/or supplemented up to and including the Issue Date of the Certificates.

## 3. FORM, DENOMINATION, TITLE AND TRANSFER

### 3.1 Certificates

The Certificates are issued in registered form in the Specified Currency and the Specified Denomination(s), which may include a minimum denomination specified in the applicable Pricing Supplement (which shall not be less than the minimum Specified Denomination) and higher integral multiples of such amount as specified in the applicable Pricing Supplement, and, in the case of Certificates in definitive form, are serially numbered.

These Conditions are modified by certain provisions contained in the Global Certificate. Except in limited circumstances, owners of interests in the Global Certificate will not be entitled to receive definitive certificates representing their holdings of Certificates. In the case of Certificates in definitive form, an Individual Certificate will be issued to each Certificateholder in respect of its registered holding of Certificates.

### 3.2 Title to Certificates

Upon issue, the Certificates will be represented by a Global Certificate which will be deposited with, and registered in the name of a nominee for a common depository for Euroclear and Clearstream (in the case of the Unrestricted Global Certificate) or deposited with a custodian for, and registered in the name of Cede & Co. as nominee for, DTC (in the case of a Restricted Global Certificate), as the case may be. For so long as any of the Certificates are represented by a Global Certificate held on behalf of Euroclear, Clearstream and/or DTC ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream and/or DTC and their respective participants. Each person (other than the relevant clearing system) who is for the time being shown in such records as the holder of a particular face amount of Certificates (in which regard any certificate or other document issued by the relevant clearing system 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 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 Global Certificate shall be treated 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 “**Holder**” and “**Certificateholder**” in relation to any Certificates and related expressions shall be construed accordingly.

### 3.3 Ownership

The Registrar will maintain a register of Certificateholders outside the United Kingdom in accordance with the provisions of the Agency Agreement (the “**Register**”). The Trustee, the Obligor, the Delegate and the Agents may (to the fullest extent permitted by applicable laws) deem and treat the person in whose name any outstanding Certificates are for the time being registered (as set out in the Register) as the Holder of such certificates or of a particular face amount of the Certificates for all purposes (whether or not such Certificates 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, the Delegate 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 monies payable in respect of such Certificates or face amount.

No person shall have any right to enforce any term or condition of any Certificates under the Contracts (Rights of Third Parties) Act 1999. The Holder of a Certificate will be recognised by the Trustee as entitled to his Certificate free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Certificate.

### 3.4 Transfers of Certificates

Subject to Conditions 3.7 (*Closed periods*) and 3.8 (*Regulations Concerning Transfers and Registration*) below:

- (a) *Transfers of beneficial interests in the Global Certificate:* Transfers of beneficial interests in the Global Certificate will be effected by Euroclear, Clearstream and/or DTC (as applicable) and in turn by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. An interest in the Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Certificates in definitive form only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream and/or DTC (as applicable) and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.
- (b) *Transfers of Certificates in definitive form:* Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Certificate in definitive form may be transferred in whole or in part (in the Specified Denomination or an integral multiple thereof). In order to effect any such transfer the Holder or Holders must: (i) surrender the Individual Certificate for registration of the transfer thereof (or the relevant part thereof) at the Specified Office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the Holder or Holders thereof or his or their attorney or attorneys duly authorised in writing; and (ii) complete and deposit such other evidence to prove the title of the transferor and the authority of the individuals who have executed the form of transfer as may be reasonably required by the Registrar or (as the case may be) the relevant Transfer Agent. Any such transfer will be subject to such reasonable regulations as the Trustee, the Obligor, the Delegate and the Registrar may from time to time prescribe.

Subject as provided above, the Registrar or (as the case may be) the relevant Transfer Agent will, as soon as reasonably practicable, and in any event within three business days (being for this purpose a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), and following receipt of a signed new Individual Certificate from the Trustee, deliver at its Specified Office to the transferee or (at the risk of the transferee) send by regular uninsured first class mail (airmail if overseas) to such address as the transferee may request a new Individual Certificate of a like aggregate face amount to the Certificates (or the relevant part of the Certificates) transferred. In the case of the transfer of part only of an Individual Certificate, a new Individual Certificate in respect of the balance of the Certificates not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

### 3.5 **Exercise of Options or Partial Dissolution in Respect of Certificates**

In the case of an exercise of the Trustee's, the Obligor's or a Certificateholder's option in respect of, or a partial redemption of, a holding of Certificates, the Registrar will update the entries on the Register accordingly and, in the case of Individual Certificates, new Individual Certificates shall be issued to the Holders to reflect the exercise of such option or in respect of the balance of the holding for which no payment was made. New Individual Certificates shall only be issued against surrender of the existing Individual Certificates to the Registrar or any Transfer Agent.

### 3.6 **No Charge**

The transfer of a Certificate, exercise of an option or partial dissolution will be effected without charge by or on behalf of the Trustee, the Obligor or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer. Certificateholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured first class mail (airmail if overseas).

### 3.7 **Closed Periods**

Certificateholders may not require transfers to be registered:

- (a) during the period of 15 days ending on (and including) the due date for payment of any Dissolution Distribution Amount or Periodic Distribution Amount or any other date on which any payment of the face amount or payment of any profit in respect of the relevant Certificates falls due;
- (b) during the period of 15 days ending on (and including) any date on which the relevant Certificates may be called for redemption by the Trustee or the Obligor at its option pursuant to Condition 8.2 (*Early Dissolution for Taxation Reasons*), Condition 8.3 (*Dissolution at the Option of the Obligor (Optional Dissolution Right)*) or Condition 8.7 (*Dissolution at the Option of the Obligor (Clean-Up Dissolution Right)*); or
- (c) after:
  - (i) a Certificateholder Put Exercise Notice has been delivered in respect of the relevant Certificate(s) in accordance with Condition 8.4 (*Dissolution at the Option of Certificateholders (Certificateholder Put Right)*);
  - (ii) a Change of Control Exercise Notice has been delivered in respect of the relevant Certificate(s) in accordance with Condition 8.5 (*Dissolution at the Option of Certificateholders (Change of Control Put Right)*); or
  - (iii) a Tangibility Event Put Exercise Notice has been delivered in respect of the relevant Certificate(s) in accordance with Condition 8.6 (*Dissolution at the Option of Certificateholders (Tangibility Event Put Right)*).

### 3.8 **Regulations Concerning Transfers and Registration**

All transfers of Certificates and entries on the Register are subject to the detailed regulations concerning the transfer of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Trustee, with the prior written approval of the Registrar and the Delegate or by the Registrar with the prior written approval of the Delegate. A copy of the current regulations will be mailed (free of charge to the Certificateholder by uninsured first class mail (airmail if overseas)) by the Registrar to any Certificateholder who requests in writing a copy of such regulations.

## 4. STATUS AND LIMITED RECOURSE

### 4.1 Status

The Certificates represent an undivided beneficial ownership interest in the relevant Trust Assets and are direct, unsecured and limited recourse obligations of the Trustee. Each Certificate shall, save for such exceptions as may be provided by applicable legislation that is both mandatory and of general application, at all times rank *pari passu* and without any preference or priority with all other Certificates of the relevant Series.

### 4.2 Limited Recourse

Save as provided in this Condition 4.2, the Certificates do not represent an interest in or obligation of any of the Trustee, the Delegate, the Obligor (acting in any capacity), any of the Agents or any of their respective affiliates. The proceeds of the relevant Trust Assets are the sole source of payments on the Certificates of each Series. The net proceeds of the realisation of, or enforcement with respect to, the relevant Trust Assets may not be sufficient to make all payments due in respect of the Certificates. Certificateholders, by subscribing for or acquiring the Certificates, acknowledge that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

- (a) no payment of any amount whatsoever shall be made by the Trustee or the Delegate or any shareholders, directors, officers, employees, agents or affiliates on their behalf except to the extent funds are available therefor from the relevant Trust Assets. The Certificateholders further acknowledge and agree that no recourse shall be had for the payment of any amount due and payable hereunder or under any Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee or the Delegate to the extent the relevant Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished;
- (b) the Trustee may not sell, transfer, assign or otherwise dispose of the Trust Assets or any part thereof (save as permitted pursuant to the Transaction Documents) to a third party, and may only realise its interests, rights, title, benefits and entitlements, present and future, in, to and under the Trust Assets in the manner expressly provided in the Transaction Documents;
- (c) if the proceeds of the Trust Assets are insufficient to make all payments due in respect of the Certificates, Certificateholders will have no recourse to any assets of the Trustee (other than the relevant Trust Assets) or the Delegate or the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates, in respect of any shortfall or otherwise and any unsatisfied claims of the Certificateholders shall be extinguished;
- (d) no Certificateholders will be able to petition for, institute, or join with any other person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Trustee, the Delegate, the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates as a consequence of such shortfall or otherwise;
- (e) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee or the Delegate arising under or in connection with the Transaction Documents 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 or the Delegate in their capacity as such. The obligations of the Trustee and the Delegate under the Transaction Documents are corporate or limited liability obligations of the Trustee or the Delegate (as applicable) and no personal liability shall attach to or be incurred by the shareholders, officers, employees, agents, directors or corporate services provider of the Trustee or the Delegate (as applicable) in their capacity as such, save in the case of the relevant party's wilful default or actual fraud. Reference in this Condition 4.2 to wilful default or actual fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party; and

- (f) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Certificates. No collateral is or will be given for the payment obligations of the Trustee under the Certificates (without prejudice to the negative pledge provisions described in Condition 6.2 (*Negative Pledge*)).

Pursuant to the terms of the Transaction Documents, the Obligor are obliged to make payments under the relevant Transaction Documents to which they are a party directly to or to the order of the Trustee. Such payment obligations form part of the Trust Assets and the Trustee and the Delegate will thereby have direct recourse against the Obligor to recover payments due to the Trustee from the Obligor pursuant to such Transaction Documents notwithstanding any other provision of this Condition 4.2. Such right of the Trustee and the Delegate shall (subject to the negative pledge provisions described in Condition 6.2 (*Negative Pledge*)) constitute an unsecured claim against the relevant Obligor. None of the Certificateholders, the Trustee or the Delegate shall be entitled to claim any priority right in respect of any specific assets of the Obligor in connection with the enforcement of any such claim.

## 5. THE TRUST

### 5.1 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. 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, of the Trustee in, to and under the Lease Assets from time to time;
- (c) all of the Trustee’s rights, title, interests, benefits and entitlements, present and future, in, to and under the obligations of the Buyer in respect of payment of each Deferred Sale Price under the Master Murabaha Agreement;
- (d) the interests, rights, title, benefits and entitlements, present and future, of the Trustee 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 or the covenant given to the Trustee pursuant to clause 18.1 (*Reimbursement of Trustee*) of the Master Trust Deed);
- (e) all moneys standing to the credit of the Transaction Account from time to time; and
- (f) all proceeds of the foregoing.

### 5.2 Application of Proceeds from Trust Assets

On each Periodic Distribution Date and on any Dissolution Date, the Principal Paying Agent shall apply the monies standing to the credit of the relevant Transaction Account in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

- (a) *first*, (to the extent not previously paid) to the Delegate in respect of all amounts payable to it under the Transaction Documents in its capacity as Delegate (including any amounts payable to the Delegate in respect of its Appointees (as defined in the Master Trust Deed)) and to any receiver, manager or administrative receiver or any other analogous officer appointed in respect of the Trust by the Delegate in accordance with the Trust Deed;
- (b) *second*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid;
- (c) *third*, only if such payment is due on a Dissolution Date, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of the relevant Dissolution Distribution Amount; and

- (d) *fourth*, only on the Scheduled Dissolution Date (or any earlier date on which the Certificates are redeemed in full) and **provided that** all amounts required to be paid on the Certificates hereunder have been discharged in full, in payment of any residual amount to the Obligor in its capacity as Service Agent as an incentive fee for its performance under the Service Agency Agreement.

### 5.3 Transaction Account

The Trustee will establish a Transaction Account in London in respect of each Series prior to the relevant Issue Date. The Transaction Account shall be operated by the Principal Paying Agent on behalf of the Trustee for the benefit of Certificateholders into which the Obligor will deposit all amounts payable by it to the Trustee pursuant to the terms of the Transaction Documents.

## 6. COVENANTS

### 6.1 Trustee Covenants

In addition to the Trustee's covenants contained in clause 12.3 (*Trustee Covenants*) of the Master Trust Deed, the Trustee covenants that for so long as any Certificates are outstanding, it shall not (without the prior written consent of the Delegate):

- (a) incur any Indebtedness (including any Sukuk Obligation) in respect of financed, borrowed or raised money whatsoever (whether structured (or intended to be structured) in accordance with the principles of *Shari'a* or otherwise), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;
- (b) secure any of its present or future Indebtedness by any lien, pledge, charge or other Security Interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) and other than under or pursuant to any of the Transaction Documents);
- (c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by Security Interest, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of the Trust Assets except pursuant to any of the Transaction Documents;
- (d) amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms of the Trust Deed) or its constitutional documents;
- (e) except as provided in the Trust Deed, act as trustee in respect of any trust other than the Trust or in respect of any parties other than the Certificateholders;
- (f) have any subsidiaries or employees;
- (g) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders;
- (h) use the proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents;
- (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 as expressly contemplated, permitted or required thereunder or engage in any business or activity other than:
  - (i) as contemplated, provided for or permitted in the Transaction Documents;



- (ii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and
- (iii) such other matters which are incidental thereto.

## 6.2 Negative Pledge

So long as any Certificate remains outstanding (as defined in the Master Trust Deed), the Obligor will not create, incur, assume or permit to arise or subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness of the Obligor or any Guarantee by the Obligor of Relevant Indebtedness unless: (a) at the same time or prior thereto, the obligations of the Obligor under the Certificates and the Transaction Documents are secured equally and rateably therewith; or (b) such other security is provided to secure the obligations of the Obligor under the Certificates and the Transaction Documents as may be approved by an Extraordinary Resolution of the Certificateholders.

## 7. PERIODIC DISTRIBUTION AMOUNTS

### 7.1 Fixed Rate Certificates Provisions

- (a) *Application:* This Condition 7.1 is applicable to the Certificates only if the Fixed Rate Certificates Provisions are specified in the applicable Pricing Supplement as being applicable.
- (b) *Periodic Distribution Dates:* Each Fixed Rate Certificate bears profit on its outstanding face amount from and including the Profit Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date. The amount of profit payable shall be a Fixed Amount, a Broken Amount or an amount determined in accordance with Condition 7.3 (*Calculation of Periodic Distribution Amount*). Each such amount of profit is referred to in these Conditions as a “**Periodic Distribution Amount**”. Periodic Distribution Amounts shall be distributed to Certificateholders by the Principal Paying Agent on behalf of the Trustee, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account and subject to Condition 5.2 (*Application of Proceeds from Trust Assets*) and Condition 9 (*Payments*).

### 7.2 Floating Rate Certificate Provisions

- (a) *Application:* This Condition 7.2 is applicable to the Certificates only if the Floating Rate Certificates Provisions are specified in the applicable Pricing Supplement as being applicable.
- (b) *Periodic Distribution Dates:* Each Floating Rate Certificate bears profit on its outstanding face amount from and including the Profit Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date. The amount of profit payable per Calculation Amount shall be an amount determined in accordance with Condition 7.3 (*Calculation of Periodic Distribution Amount*). Each such amount of profit is referred to in these Conditions as a “**Periodic Distribution Amount**”. Such Periodic Distribution Date(s) is/are either shown in the applicable Pricing Supplement as Specified Periodic Distribution Dates or, if no Specified Periodic Distribution Date(s) is/are shown in the applicable Pricing Supplement, Periodic Distribution Date shall mean each date which falls the number of months or other period shown in the applicable Pricing Supplement as the Specified Period after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Profit Commencement Date. Periodic Distribution Amounts shall be distributed to Certificateholders by the Principal Paying Agent on behalf of the Trustee, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account and subject to Condition 5.2 (*Application of Proceeds from Trust Assets*) and Condition 9 (*Payments*).
- (c) *Profit Rate for Floating Rate Certificates:* The Profit Rate in respect of Floating Rate Certificates for each Return Accumulation Period shall be determined by Screen Rate Determination in accordance with paragraph (d) (as specified in the applicable Pricing Supplement).

- (d) *Screen Rate Determination*: The Profit Rate applicable to the Certificates for each Return Accumulation Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate 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 Profit Rate Determination Date;
  - (ii) 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 Profit Rate Determination Date;
  - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
    - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Profit Rate Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
    - (B) determine the arithmetic mean of such quotations; and
  - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Return Accumulation Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Return Accumulation Period and in an amount that is representative for a single transaction in that market at that time,

and the Profit Rate for such Return Accumulation Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Return Accumulation Period, the Profit 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.

- (e) *Maximum or Minimum Profit Rate*: If any Maximum Profit Rate or Minimum Profit Rate is specified in the applicable Pricing Supplement, then the Profit Rate shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Benchmark Replacement*: Notwithstanding the other provisions of this Condition 7.2, if the Obligor determines that a Benchmark Event has occurred in relation to the relevant Reference Rate specified in the applicable Pricing Supplement when any Profit 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:
- (i) the Obligor shall use its reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine no later than five Business Days prior to the relevant Profit Rate Determination Date relating to the next succeeding Return Accumulation Period (the “**IA Determination Cut-Off Date**”), a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate and, in either case and if applicable, an Adjustment Spread for the purposes of determining the Profit Rate (or the relevant component part thereof) applicable to the Certificates;
  - (ii) if (A) the Obligor is unable to appoint an Independent Adviser; or (B) the Independent Adviser appointed by the Obligor fails to determine a Successor Rate or, failing which,

an Alternative Reference Rate and/or, in either case, an Adjustment Spread in accordance with this Condition 7.2 prior to the relevant IA Determination Cut-Off Date, then the Obligor (acting in good faith and (A) in the event that the Obligor is unable to appoint an Independent Adviser, in a commercially reasonable manner; or (B) in the event that the Independent Adviser fails to determine a Successor Rate, or failing which, an Alternative Reference Rate and/or, in either case, an Adjustment Spread in accordance with this Condition 7.2 prior to the relevant IA Determination Cut-Off Date, in consultation with the Independent Adviser) may elect to determine the Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and/or, in either case, an Adjustment Spread itself for the purposes of determining the Profit Rate (or the relevant component part thereof) applicable to the Certificates or, if applicable, any Benchmark Amendments, to ensure the proper operation of such Successor Rate or Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread (with the relevant provisions in this Condition 7.2 applying *mutatis mutandis*) to allow such determinations to be made by the Obligor without consultation with the Independent Adviser;

- (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Return Accumulation Periods in respect of such Certificates (subject to the subsequent operation of, and to adjustment as provided in, this Condition 7.2(f));
- (iv) 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), provided however, that if the Independent Adviser (following consultation with the Obligor), or the Obligor (acting in good faith and (x) in the event that the Obligor is unable to appoint an Independent Adviser, in a commercially reasonable manner; or (y) in the event that the Independent Adviser fails to determine a Successor Rate, or failing which, an Alternative Reference Rate and/or, in either case, an Adjustment Spread in accordance with this Condition 7.2(f) prior to the relevant IA Determination Cut-Off Date, in consultation with the Independent Adviser) fails to determine the Adjustment Spread in accordance with this Condition 7.2 prior to the IA Determination Cut-Off Date, then the Successor Rate or Alternative Reference Rate, as determined in accordance with this Condition 7.2 will apply without an Adjustment Spread; and
- (v) if any Successor Rate, Alternative Reference Rate and/or Adjustment Spread is determined in accordance with this Condition 7.2(f) and the Independent Adviser (following consultation with the Obligor) or the Obligor (acting in good faith and (x) in the event that the Obligor is unable to appoint an Independent Adviser, in a commercially reasonable manner; or (y) in the event that the Independent Adviser fails to determine a Successor Rate, or failing which, an Alternative Reference Rate and/or, in either case, an Adjustment Spread in accordance with this Condition 7.2(f) prior to the relevant IA Determination Cut-Off Date, in consultation with the Independent Adviser), as applicable, determines: (A) that amendments to these Conditions (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day, Business Day Convention, Profit Rate Determination Date or Relevant Screen Page), the Master Trust Deed and/or any other Transaction Document are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (such amendments, the “**Benchmark Amendments**”); and (B) the terms of the Benchmark Amendments, then, at the direction and expense of the Obligor and subject to delivery of a notice in accordance with Condition 7.2(f)(vi): (x) the Trustee, the Obligor, the Delegate and the Agents shall (at the expense of the Trustee (failing which, the Obligor)) vary these Conditions, the Trust Deed, the Agency Agreement and/or any other Transaction Document to give effect to such Benchmark Amendments with effect from the date specified in such notice; provided that neither the Delegate nor any Agent shall be required to effect any such Benchmark Amendments if the same would impose, in its opinion, more onerous obligations upon it or expose it to any liability against which it is not adequately

indemnified and/or secured and/or prefunded to its satisfaction or impose any additional duties, responsibilities or liabilities or reduce or amend its rights and/or the protective provisions afforded to it. Prior to any such Benchmark Amendments taking effect:

- (A) the Trustee shall provide a certificate signed by a director or a duly authorised signatory of the Trustee to the Delegate and the Principal Paying Agent; and
- (B) the Obligor shall provide a certificate signed by a duly authorised signatory of the Obligor to the Trustee, the Delegate and the Principal Paying Agent,

certifying that such Benchmark Amendments are: (x) in the Trustee's or the Obligor's (as the case may be) reasonable opinion (following consultation with the Independent Adviser), necessary to give effect to any application of this Condition 7.2; and (y) in each case, have been drafted solely to such effect, and the Trustee, the Delegate and the Principal Paying Agent (as the case may be) shall be entitled to rely on such certificates without further enquiry or liability to any person.

For the avoidance of doubt, neither the Delegate nor any Agent shall be liable to the Certificateholders or any other person for so acting or relying on such notice, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such Certificateholders or person;

- (vi) the Trustee (failing which, the Obligor) shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and the specific terms of any Benchmark Amendments, give notice to the Delegate, the Agents (such notice to be delivered not less than 10 Business Days prior to the date on which such Benchmark Amendments are due to come into effect) and, in accordance with Condition 18 (*Notices*), the Certificateholders confirming: (A) that a Benchmark Event has occurred; (B) the Successor Rate or Alternative Reference Rate (as applicable); (C) any applicable Adjustment Spread; and (D) the specific terms of the Benchmark Amendments (if any, in each case, as determined in accordance with the provisions of this Condition 7.2);
- (vii) if, following the occurrence of a Benchmark Event and in relation to the determination of the Profit Rate (or the relevant component part thereof) on the immediately following Profit Rate Determination Date, no Successor Rate or Alternative Reference Rate (as applicable) is determined pursuant to this provision, then the Profit Rate (or the relevant component part thereof) shall be determined as at the last preceding Profit Rate Determination Date (though substituting, where a different Margin or Maximum Profit Rate or Minimum Profit Rate is to be applied to the relevant Return Accumulation Period from that which applied to the last preceding Return Accumulation Period, the Margin or Maximum Profit Rate or Minimum Profit Rate relating to the relevant Return Accumulation Period, in place of the Margin or Maximum Profit Rate or Minimum Profit Rate relating to that last preceding Return Accumulation Period). For the avoidance of doubt, this Condition 7.2(f)(vii) shall apply to the relevant immediately following Return Accumulation Period only and any subsequent Return Accumulation Periods are subject to the subsequent operation of and to adjustment as provided in, this Condition 7.2(f); and
- (viii) the Independent Adviser appointed pursuant to this Condition 7.2(f) shall act and make all determinations pursuant to this Condition 7.2(f) in good faith and the Independent Adviser shall act as an expert. In the absence of bad faith, wilful default or fraud, none of the Independent Adviser, the Trustee or the Obligor shall have any liability whatsoever to the Delegate, the Agents or the Certificateholders in connection with any determination made by it or, in the case of the Independent Adviser, for any advice given to the Trustee or the Obligor in connection with any determination made by the Trustee or the Obligor pursuant to this Condition 7.2(f).

Notwithstanding any other provision of this Condition 7, if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or

calculation under this Condition 7, the Calculation Agent shall promptly notify the Trustee and the Obligor thereof and the Trustee, following consultation with the Independent Adviser (if appointed), shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Trustee and the Obligor thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

In these Conditions:

**“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 the case may be), as a result of the replacement of the relevant Reference Rate with the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable), and is the spread, formula or methodology which:

- (a) 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 Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) (if no such recommendation has been made, or in the case of an Alternative Reference Rate) the Independent Adviser (following consultation with the Obligor) determines is customarily applied to the relevant Successor Rate or the 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; or
- (c) (if the Independent Adviser (following consultation with the Obligor) determines that no such spread, formula or methodology is customarily applied) the Independent Adviser (following consultation with the Obligor) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the relevant Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as the case may be); or
- (d) (if the Independent Adviser (following consultation with the Obligor) determines that there is no such industry standard) the Independent Adviser (following consultation with the Obligor) or the Obligor (as applicable) determines (acting in good faith and (x) in the event that the Obligor is unable to appoint an Independent Adviser, in a commercially reasonable manner; or (y) in the event that the Independent Adviser fails to determine a Successor Rate, or failing which, an Alternative Reference Rate and/or, in either case, an Adjustment Spread in accordance with this Condition 7.2(f) prior to the relevant IA Determination Cut-Off Date, in consultation with the Independent Adviser) in their sole discretion to be appropriate;

**“Alternative Reference Rate”** means an alternative benchmark or screen rate which the Independent Adviser (following consultation with the Obligor) determines has replaced the relevant Reference Rate in customary market usage in international debt capital markets transactions for the purposes of determining interest or profit rates (or the relevant component part thereof) in the same Specified Currency as the Certificates and of a comparable duration to the relevant Return Accumulation Period or, if the Independent Adviser or the Obligor (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Obligor (as applicable) determines in their sole discretion is most comparable to the relevant Reference Rate;

**“Benchmark Event”** means:

- (a) the relevant Reference Rate ceasing to be published as a result of such benchmark ceasing to be calculated or administered or ceasing to exist for at least five Business Days;
- (b) a public statement by the administrator of the relevant Reference Rate that it has ceased or that it will, by a specified future date, cease publishing the relevant Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate);

- (c) a public statement by the supervisor of the administrator of the relevant Reference Rate that the relevant Reference Rate has been or will be, by a specified future date, permanently or indefinitely discontinued;
- (d) a public statement by the supervisor of the administrator of the relevant Reference Rate as a consequence of which, by a specified future date, the relevant Reference Rate will be prohibited from being used either generally, or in respect of the Certificates;
- (e) a public statement by the supervisor of the administrator of the relevant Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market; or
- (f) it has become unlawful for the Trustee, the Obligor or any Agent to calculate any payments due to be made to any Certificateholder using the relevant Reference Rate,

provided that, where the relevant Benchmark Event is a public statement within sub-paragraphs (b), (c) and (d) 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 adviser with appropriate expertise appointed by the Trustee and the Obligor at the Obligor’s expense;

**“Relevant Nominating Body”** means, in respect of a Reference Rate: (i) the central bank 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: (A) the central bank for the currency to which the Reference Rate relates; (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; (C) a group of the aforementioned central banks or other supervisory authorities; or (D) the Financial Stability Board or any part thereof; and

**“Successor Rate”** means the rate that the Independent Adviser (in consultation with the Obligor) or the Obligor, as applicable, determines is a successor to or replacement of the relevant Reference Rate which is formally recommended by any Relevant Nominating Body.

### 7.3 **Calculation of Periodic Distribution Amount**

The Periodic Distribution Amount payable per Calculation Amount will be calculated by the Calculation Agent by applying the Profit Rate for such Return Accumulation Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). Where the Specified Denomination of an Individual Certificate is a multiple of the Calculation Amount, the Periodic Distribution Amount payable in respect of such Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. For this purpose a **“sub-unit”** means, in the case of any currency other than U.S. dollars, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of U.S. dollars, means one cent.

### 7.4 **Determination and Publication of Profit Rates, Periodic Distribution Amounts and Dissolution Distribution Amounts**

The Calculation Agent shall, as soon as practicable on or after each Profit Rate Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the

Periodic Distribution Amounts for the relevant Return Accumulation Period, calculate the relevant Dissolution Distribution Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Profit Rate and the Periodic Distribution Amounts for each Return Accumulation Period and the relevant Periodic Distribution Date and, if required to be calculated, the relevant Dissolution Distribution Amount to be notified to the Delegate, the Trustee, the Obligor, each of the Paying Agents, the Certificateholders, any other Calculation Agent appointed in respect of the Certificates that is to make a further calculation upon receipt of such information and, if the Certificates are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than: (i) the commencement of the relevant Return Accumulation Period, if determined prior to such time, in the case of notification to such exchange of a Profit Rate and Periodic Distribution Amount; or (ii) in all other cases, the fourth Business Day after such determination. Where any Periodic Distribution Date or Profit Period Date is subject to adjustment pursuant to Condition 7.6 (*Business Day Convention*), the Periodic Distribution Amounts and the Periodic Distribution Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Delegate by way of adjustment) without notice in the event of an extension or shortening of the Return Accumulation Period. If the Certificates become due and payable under Condition 12 (*Dissolution Events*), the accrued profit and the Profit Rate payable in respect of the Certificates shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Profit Rate or the Periodic Distribution Amount so calculated need be made unless the Delegate otherwise requires. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Calculation Agent will (in the absence of manifest error) be binding on the Trustee, the Obligor, the Delegate, the Agents and all Certificateholders and (in the absence of manifest error) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

#### 7.5 **Cessation of Entitlement to Profit**

Profit shall cease to accumulate in respect of each Certificate on (a) the due date for redemption unless, upon due presentation, payment is improperly withheld or refused and no sale agreement has been executed pursuant to the Sale Undertaking or the Purchase Undertaking (as the case may be) relating to redemption of the relevant Certificates in full, in which event profit shall, subject to the terms of the Transaction Documents, continue to accumulate (both before and after judgment) at the Profit Rate in the manner provided in this Condition 7 to the Relevant Date; and (b) the date on which a Total Loss Event occurs.

#### 7.6 **Business Day Convention**

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified in the applicable Pricing Supplement is:

- (a) the “**Following Business Day Convention**”, the relevant date shall be postponed to the first following day that is a Business Day;
- (b) the “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**”, the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day;
- (c) the “**Preceding Business Day Convention**”, the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) the “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**”, each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Pricing Supplement as the Return Accumulation Period after the calendar month in which the preceding such date occurred **provided, however, that:**

- (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) “**No Adjustment**”, the relevant date shall not be adjusted in accordance with any Business Day Convention.

## 7.7 Calculation Agent

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

## 7.8 Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of a Return Accumulation Period in the applicable Pricing Supplement, the Profit Rate for such Return Accumulation Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate, one of which shall be determined as if the Linear Interpolation 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 Linear Interpolation Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Return Accumulation Period **provided however that** if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

## 8. REDEMPTION AND DISSOLUTION OF THE TRUST

### 8.1 Dissolution on the Scheduled Dissolution Date

Unless previously redeemed, purchased and cancelled, as provided below, each Certificate shall be finally redeemed at its Dissolution Distribution Amount on the Scheduled Dissolution Date specified in the applicable Pricing Supplement and following the payment of all such amounts in full and the execution of a sale agreement pursuant to the Purchase Undertaking, the Trust shall be dissolved by the Trustee, the Certificates shall cease to represent undivided ownership 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.

### 8.2 Early Dissolution for Taxation Reasons

The Certificates shall be redeemed by the Trustee in whole, but not in part, on any Periodic Distribution Date (if the Certificates are Floating Rate Certificates) or at any time (if the Certificates are Fixed Rate



Certificates) (such dissolution date being an “**Early Tax Dissolution Date**”), on giving not less than 30 nor more than 60 days’ notice to the Certificateholders (which notice shall be irrevocable) at their Dissolution Distribution Amount if the Trustee satisfies the Delegate immediately before the giving of such notice that:

- (a) the Trustee has or will become obliged to pay additional amounts as described under Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of any Relevant Taxing Jurisdiction, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the relevant Series, and such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or
- (b) the Obligor has or will become obliged to pay additional amounts pursuant to the terms of any Transaction Document as a result of any change in, or amendment to, the laws or regulations of any Relevant Taxing Jurisdiction, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the relevant Series, and such obligation cannot be avoided by the Obligor taking reasonable measures available to it,

(the events laid out in Condition 8.2(a) and (b) above each being a “**Tax Event**”) **provided, however, that** no such notice of dissolution shall be given to Certificateholders:

- (i) unless a duly completed Exercise Notice has been received by the Trustee from the Obligor pursuant to the Sale Undertaking; and
- (ii) where the Certificates may be redeemed at any time, earlier than 90 days prior to the earliest date on which the Trustee or the Obligor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Certificates (in the case of the Trustee) or pursuant to any Transaction Document (in the case of the Obligor) then due; or
- (iii) where the Certificates may be redeemed only on a Periodic Distribution Date, earlier than 60 days prior to the earliest date on which the Trustee or the Obligor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Certificates (in the case of the Trustee) or pursuant to any Transaction Document (in the case of the Obligor) then due.

Prior to the publication of any notice of dissolution pursuant to this Condition 8.2, the Trustee shall deliver or procure that there is delivered to the Delegate:

- (A) a certificate signed by two directors of the Trustee (in the case of Condition 8.2(a)) or the Obligor (in the case of Condition 8.2(b)) stating that the Trustee is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Trustee so to redeem (as set out in Condition 8.2(a) and Condition 8.2(b), as the case may be) have occurred; and
- (B) an opinion of independent legal advisers or other professional advisers, in each case of recognised standing, to the effect that the Trustee or the Obligor, as the case may be, has or will become obliged to pay additional amounts as a result of such change or amendment,

and the Delegate shall be entitled to accept such certificate and legal opinion as sufficient evidence of the satisfaction of the condition precedent set out in Condition 8.2(a) or, as the case may be, Condition 8.2(b) above, in which event it shall be conclusive and binding on Certificateholders.

Upon expiry of any such notice given in accordance with this Condition 8.2, payment in full of the Dissolution Distribution Amount to Certificateholders and execution of a sale agreement pursuant to the Sale Undertaking, the Trust shall be dissolved by the Trustee, the Certificates shall cease to represent

undivided ownership 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.

### 8.3 **Dissolution at the Option of the Obligor (Optional Dissolution Right)**

If the Optional Dissolution Right is specified in the applicable Pricing Supplement, the Obligor may in its sole discretion deliver to the Trustee a duly completed Exercise Notice in accordance with the provisions of the Sale Undertaking and, on receipt of such notice, the Trustee shall, on giving not less than 30 nor more than 60 days' irrevocable notice to the Certificateholders redeem all or, if so specified in the relevant Exercise Notice, some of the Certificates on any Optional Dissolution Date. Any such redemption of Certificates shall be at their Dissolution Distribution Amount. Any such redemption or exercise must relate to Certificates of a face amount at least equal to the Minimum Optional Dissolution Amount to be redeemed and no greater than the Maximum Optional Dissolution Amount to be redeemed.

All Certificates in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 8.3. If all (and not some only) of the Certificates are to be redeemed on any Optional Dissolution Date in accordance with this Condition 8.3, upon payment in full of the Dissolution Distribution Amount to all Certificateholders and execution of a sale agreement pursuant to the Sale Undertaking, the Trust shall be dissolved by the Trustee, the Certificates shall cease to represent undivided ownership 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.

In the case of a partial redemption in respect of Individual Certificates, the notice to Certificateholders shall also specify the face amount of Certificates drawn and the holder(s) of such Certificates to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

If the Certificates are to be redeemed in part only on any date in accordance with this Condition 8.3, each Certificate shall be redeemed in part in the proportion which the aggregate face amount of the outstanding Certificates to be redeemed on the relevant Optional Dissolution Date bears to the aggregate face amount of outstanding Certificates on such date.

### 8.4 **Dissolution at the Option of Certificateholders (Certificateholder Put Right)**

If the Certificateholder Put Right is specified in the applicable Pricing Supplement, the Trustee shall, at the option of the Holder of any Certificates, upon the Holder of such Certificates giving not less than 30 nor more than 60 days' notice to the Trustee, redeem such Certificates on the Certificateholder Put Right Date at its Dissolution Distribution Amount. For the purposes thereof, the Trustee shall deliver to the Obligor a duly completed Exercise Notice in accordance with the provisions of the Purchase Undertaking. If all (and not some only) of the Certificates are to be redeemed on any Certificateholder Put Right Date in accordance with this Condition 8.4, upon payment in full of the Dissolution Distribution Amount to the Certificateholders, the Trust shall be dissolved by the Trustee, the Certificates shall cease to represent undivided ownership 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.

To exercise the option in this Condition 8.4 the relevant Holder must, within the relevant notice period, give notice to the Principal Paying Agent of such exercise (a "**Certificateholder Put Exercise Notice**") (in the case of Certificates represented by a Global Certificate, in accordance with the standard procedures of Euroclear, Clearstream and/or DTC in a form acceptable to the relevant clearing system from time to time) which shall, if acceptable to the relevant clearing system (if applicable), be in the form of a duly completed Certificateholder Put Exercise Notice in the form set out in the Agency Agreement and obtainable from any Paying Agent, the Registrar or any Transfer Agent.

Any Certificateholder Put Exercise Notice given by a Holder of any Certificates pursuant to this Condition 8.4 shall be irrevocable except where, prior to the due date for redemption in accordance with this Condition 8.4, a Dissolution Event has occurred and the Delegate has declared the Certificates due and payable pursuant to Condition 12 (*Dissolution Events*), in which event such Certificateholder Put Exercise Notice shall be deemed void.

## 8.5 **Dissolution at the Option of Certificateholders (Change of Control Put Right)**

The Obligor has agreed in the Master Trust Deed to notify the Trustee and the Delegate immediately upon the occurrence of a Change of Control and to provide a description of the Change of Control. The Trustee, upon receipt of such notice from the Obligor or otherwise upon having actual knowledge or express notice of the occurrence of a Change of Control, shall promptly give notice (a “**Change of Control Put Notice**”) of the occurrence of a Change of Control to the Delegate and the Certificateholders in accordance with these Conditions, provided the Change of Control Put Right is specified as being applicable in the applicable Pricing Supplement. The Change of Control Put Notice shall provide a description of the Change of Control and shall specify the “**Change of Control Put Period**”, which shall be the period commencing on (and including) the date on which the Change of Control Put Notice is given and ending on (and including) the date which is 30 days after the date on which the Change of Control Put Notice is given.

If Change of Control Put Right is specified as being applicable in the applicable Pricing Supplement and a Change of Control occurs, and **provided that** Certificateholders elect to redeem their Certificates, in whole or in part, during the Change of Control Put Period in accordance with this Condition 8.5, the Trustee shall redeem such Certificates on the Change of Control Put Date at their Dissolution Distribution Amount. For the purposes thereof, the Trustee shall deliver to the Obligor a duly completed Exercise Notice in accordance with the provisions of the Purchase Undertaking. If all (and not some only) of the Certificates are to be redeemed on any Change of Control Put Date in accordance with this Condition 8.5, upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trust shall be dissolved by the Trustee, the Certificates shall cease to represent undivided ownership 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.

To exercise the option in this Condition 8.5, the relevant Holder must, within the relevant notice period, give notice to the Principal Paying Agent of such exercise (a “**Change of Control Exercise Notice**”) (in the case of Certificates represented by a Global Certificate, in accordance with the standard procedures of Euroclear, Clearstream and/or DTC) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Change of Control Put Period.

Any Change of Control Exercise Notice given by a Holder of any Certificates pursuant to this Condition 8.5 shall be irrevocable except where, prior to the due date for redemption in accordance with this Condition 8.5, a Dissolution Event has occurred and the Delegate has declared the Certificates due and payable pursuant to Condition 12 (*Dissolution Events*), in which event such Change of Control Exercise Notice shall be deemed void.

## 8.6 **Dissolution at the Option of Certificateholders (Tangibility Event Put Right)**

The Obligor has agreed in the Service Agency Agreement to notify the Trustee and the Delegate within 10 Bahrain business days of becoming aware of the occurrence of a Tangibility Event (such notice being a “**Tangibility Event Trustee Notice**”). The Trustee, upon receipt of such Tangibility Event Trustee Notice, shall promptly give notice (a “**Tangibility Event Notice**”) of the occurrence of a Tangibility Event to the Delegate and the Certificateholders in accordance with these Conditions. The Tangibility Event Notice shall (i) set forth an explanation of the reasons for, and evidence of, the fall in the Tangibility Ratio, (ii) state that, as determined in consultation with the Shari’a Adviser, the Certificates should only be tradable in accordance with the Shari’a 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), and (iii) specify the “**Tangibility Event Put Period**”, which shall be the period commencing on (and including) the date on which the Tangibility Event Notice is given and ending on (and including) the date which is 30 days after the date on which the Tangibility Event Notice is given during which Certificateholders may elect to have their Certificates redeemed, in whole or in part, on the Tangibility Event Put Date at their Dissolution Distribution Amount; and (iv) state that on the Tangibility Event Delisting Date, the Certificates will be delisted from any stock exchange on which the Certificates have been admitted to listing.

If a Tangibility Event occurs, and **provided that** Certificateholders elect to redeem their Certificates, in whole or in part, during the Tangibility Event Put Period in accordance with this Condition 8.6, the Trustee shall redeem such Certificates on the Tangibility Event Put Date at their Dissolution Distribution Amount. For the purposes thereof, the Trustee shall deliver to the Obligor a duly completed Exercise

Notice in accordance with the provisions of the Purchase Undertaking. If all (and not some only) of the Certificates are to be redeemed on any Tangibility Event Put Date in accordance with this Condition 8.6, upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trust shall be dissolved by the Trustee, the Certificates shall cease to represent undivided ownership 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.

To exercise the option in this Condition 8.6, the relevant Holder must, within the relevant notice period, deliver a Certificateholder Put Exercise Notice to the Principal Paying Agent (in the case of Certificates represented by a Global Certificate, in accordance with the standard procedures of Euroclear, Clearstream and/or DTC) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Tangibility Event Put Period.

Any Certificateholder Put Exercise Notice given by a Holder of any Certificates pursuant to this Condition 8.6 shall be irrevocable except where, prior to the due date for redemption in accordance with this Condition 8.6, a Dissolution Event has occurred and the Delegate has declared the Certificates due and payable pursuant to Condition 12 (*Dissolution Events*), in which event, in each case, such Certificateholder Put Exercise Notice shall be deemed void.

#### 8.7 **Dissolution at the Option of the Obligor (Clean-Up Dissolution Right)**

If 75 per cent. or more of the initial aggregate face amount of the Certificates of a Series have been redeemed or, as the case may be, purchased, pursuant to Condition 8.5 (*Dissolution at the Option of Certificateholders (Change of Control Put Right)*) or Condition 8.6 (*Dissolution at the Option of Certificateholders (Tangibility Event Put Right)*), the Obligor may, in its sole discretion, deliver to the Trustee a duly completed Exercise Notice in accordance with the provisions of the Sale Undertaking and, on receipt of such notice, the Trustee shall, on giving not less than 30 nor more than 60 days' irrevocable notice to the Certificateholders redeem the Certificates in whole, but not in part, on any Clean-Up Dissolution Date. Any such redemption of Certificates shall be at their Dissolution Distribution Amount.

All Certificates in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 8.7. Upon payment in full of the Dissolution Distribution Amount to all Certificateholders and execution of a sale agreement pursuant to the Sale Undertaking, the Trust shall be dissolved by the Trustee, the Certificates shall cease to represent undivided ownership 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.

#### 8.8 **Dissolution following a Total Loss Event**

The Obligor has agreed in the Service Agency Agreement to notify the Trustee and the Delegate forthwith upon the occurrence of a Total Loss Event and to provide a description of the Total Loss Event. The Trustee, upon receipt of such notice from the Obligor, or otherwise upon having actual knowledge or express notice of the occurrence of a Total Loss Event, shall promptly give notice to Certificateholders in accordance with Condition 18 (*Notices*) of the occurrence of the Total Loss Event and that, from the date of such notice, and until any further notice from the Trustee, as determined in consultation with the *Shari'a* Adviser, the Certificates should only be tradable in accordance with the *Shari'a* principles of debt trading. Unless the relevant Lease Assets have been replaced in accordance with the Service Agency Agreement, which replacement shall, on the date of such replacement be notified by the Trustee to the Certificateholders and such notice shall include a confirmation that the Certificates may be traded at any price from the date of such notice, the Trustee shall redeem all of the Certificates by no later than the close of business in London on the 61<sup>st</sup> day after the occurrence of the Total Loss Event (a "**Total Loss Event Dissolution Date**"). Any such redemption of Certificates shall be at their Dissolution Distribution Amount. Upon payment in full of the Dissolution Distribution Amount to all Certificateholders, the Trust shall be dissolved by the Trustee, the Certificates shall cease to represent undivided ownership 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.

## 8.9 **Dissolution following a Dissolution Event**

Upon the occurrence of a Dissolution Event, the Certificates may be redeemed at the Dissolution Distribution Amount on the Dissolution Event Redemption Date as more particularly described in Condition 12 (*Dissolution Events*).

## 8.10 **Purchases**

The Obligor, and each of the Obligor's subsidiaries may at any time purchase Certificates in the open market or otherwise and at any price and such Certificates may be held, resold or, at the option of the Obligor, surrendered to the Registrar for cancellation.

## 8.11 **Cancellation**

Subject to and in accordance with the standard procedures of Euroclear, Clearstream and/or DTC, all Certificates which are redeemed will forthwith be cancelled. All Certificates purchased and surrendered for cancellation by or on behalf of the Obligor or any of the Obligor's subsidiaries shall be cancelled by surrendering the Global Certificate or Individual Certificates representing such Certificates to the Registrar and by the Obligor delivering to the Trustee a duly completed Cancellation Notice in accordance with the terms of the Sale Undertaking. If all (and not some only) of the Certificates are cancelled in accordance with this Condition 8.11, and upon execution of a sale agreement pursuant to the Sale Undertaking, the Trust shall be dissolved by the Trustee, the Certificates shall cease to represent undivided ownership 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. All Certificates cancelled pursuant to this Condition 8.11 shall be forwarded to the Registrar and cannot be reissued or resold.

## 8.12 **No other Dissolution**

The Trustee shall not be entitled to redeem the Certificates or dissolve the Trust other than as provided in this Condition 8 and Condition 12 (*Dissolution Events*). Upon payment in full of all amounts due in respect of the Certificates of any Series and the subsequent dissolution of the Trust as provided in this Condition 8 and/or Condition 12 (*Dissolution Events*) (as the case may be), the Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

# 9. **PAYMENTS**

## 9.1 **Method of Payment**

Payments of any Dissolution Distribution Amount will only be made against surrender of the relevant Certificates at the Specified Office of any of the Paying Agents. Each Dissolution Distribution Amount and each Periodic Distribution Amount will be paid to the Holder shown on the Register at the close of business on the relevant Record Date upon application by the Holder of such Certificates to the Specified Office of the Registrar, the other Transfer Agents or any Paying Agent before the Record Date, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

## 9.2 **Payments on Business Days**

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated:

- (a) (in the case of payments of any Dissolution Distribution Amount and Periodic Distribution Amounts payable on a Dissolution Date) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, presented and endorsed) at the Specified Office of a Paying Agent; and
- (b) (in the case of payments of Periodic Distribution Amounts payable other than on a Dissolution Date) on the due date for payment.

A Holder of Certificates shall not be entitled to any additional distributions or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

### 9.3 Partial Payments

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

### 9.4 Record Date

Each payment in respect of Certificates will be made:

- (a) where the Certificate is represented by a Global Certificate, to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment, where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Certificate is being held is open for business; or
- (b) where the Certificate is in definitive form, to the person shown as the Holder in the Register at the close of business in the place of the Registrar’s Specified Office on the fifteenth day before the due date for such payment (such day described in, as the case may be, Condition 9.4(a) above and in this Condition 9.4(b), the “**Record Date**”).

### 9.5 Payments subject to fiscal laws

All payments in respect of the Certificates are subject in all cases to (a) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of this Condition 9.5 and Condition 10 (*Taxation*) and (b) any deduction or withholding required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof, or any law implementing such an intergovernmental agreement. No commission or expenses shall be charged to the Certificateholders in respect of such payments.

## 10. TAXATION

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

- (a) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Certificates by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Certificates; or
- (b) where the relevant Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Certificates would have been entitled to such additional amounts on presenting or surrendering such Certificates for payment on the last day of such period of 30 days;
- (c) where such taxes or duties would not have been so withheld or deducted but for the failure of the holder or the beneficial owner of the Certificate to comply with any certification, identification or other reporting requirements concerning the nationality, residence, identity or other similar attributes of the holder or the beneficial owner of such Certificate or to make any valid or timely declaration of non-residence, which is required in connection with a claim of eligibility for avoidance or reduction of withholding or deduction of tax, **provided that** at least

90 days prior to the first payment date with respect to which the Trustee applies this clause (c) the Trustee has notified the Paying Agent in writing that the holders or beneficial owners of Certificates will be required to comply with such certification, identification, declaration or other reporting requirements;

- (d) in respect of any estate, inheritance, gift, value added, sales, use, excise, transfer, personal property or similar taxes, duties, assessments or other governmental charges;
- (e) where such taxes or duties are payable other than by withholding or deduction; or
- (f) in respect of any payment to a holder of a Certificate that is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment or Certificate, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment or Certificate would not have been entitled to the additional amounts.

If the Trustee becomes resident for tax purposes of any taxing jurisdiction other than or in addition to the Relevant Taxing Jurisdiction, references in these Conditions to the Relevant Taxing Jurisdiction shall be construed as references to the Relevant Taxing Jurisdiction and/or such other jurisdiction.

Notwithstanding anything to the contrary in these Conditions, the Trustee, a Paying Agent or any other person shall be permitted to withhold or deduct any amounts required by Sections 1471 to 1474 of the Code (“FATCA”), any treaty, law, regulation or other official guidance implementing FATCA, or any agreement (or related guidance) between the Trustee, a Paying Agent or any other person and the United States, any other jurisdiction, or any authority of any of the foregoing implementing FATCA or any intergovernmental agreement to implement FATCA and none of the Trustee, any Paying Agent or any other person shall be required to pay any additional amounts with respect to any such withholding or deduction imposed on or with respect to any Certificate.

The Transaction Documents each provide that payments thereunder by the Obligor shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Relevant Taxing Jurisdiction, unless such withholding or deduction is required by law and, in such case, provide for the payment by the Obligor of additional amounts so that the full amount which would otherwise have been due and payable is received by the Trustee.

Further, the Obligor has undertaken in the Master Trust Deed to pay such additional amounts as may be necessary pursuant to this Condition 10 so that the full amount due and payable by the Trustee in respect of the Certificates to the Certificateholders is received by the Trustee for the purposes of payment to the Certificateholders in accordance with and subject to the provisions of this Condition 10.

## **11. PRESCRIPTION**

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

## **12. DISSOLUTION EVENTS**

### **12.1 Dissolution Event**

Upon the occurrence of a Dissolution Event:

- (a) the Delegate, upon receiving written notice thereof under the Trust Deed, shall (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction) promptly give notice of the occurrence of the Dissolution Event to the Certificateholders in accordance with Condition 18 (*Notices*) with a request to Certificateholders to indicate to the Trustee and the Delegate if they wish the Certificates to be redeemed and the Trust to be dissolved; and
- (b) the Delegate in its sole discretion may, and shall if so requested in writing by the holders of at least 25 per cent. of the then aggregate face amount of the Series of Certificates outstanding or if so directed by an Extraordinary Resolution, subject in each case to being indemnified and/or

secured and/or pre-funded to its satisfaction, give notice (a “**Dissolution Notice**”) to the Trustee, the Obligor and the Certificateholders in accordance with Condition 18 (*Notices*) that the Certificateholders elect to declare the Certificates to be immediately due and payable at the Dissolution Distribution Amount. A Dissolution Notice may be given pursuant to this Condition 12.1(b) whether or not notice has been given to Certificateholders as provided in Condition 12.1(a).

Upon receipt of such Dissolution Notice, the Certificates shall become immediately due and payable at the Dissolution Distribution Amount on the date specified in the relevant Dissolution Notice, which may be the date of such Dissolution Notice (the relevant “**Dissolution Event Redemption Date**”). For such purposes, the Trustee (or the Delegate acting on the behalf of the Trustee) shall deliver to the Obligor a duly completed Exercise Notice in accordance with the provisions of the Purchase Undertaking. Upon payment in full of such amounts, the Trust shall be dissolved by the Trustee, the Certificates shall cease to represent undivided ownership 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 **Enforcement and Exercise of Rights**

Upon the occurrence of a Dissolution Event, to the extent that any amount payable in respect of the Certificates of the relevant Series has not been paid in full on the Dissolution Event Redemption Date, the Delegate may (acting for the benefit of the Certificateholders), and shall if so requested in writing by the holders of at least 25 per cent. of the then outstanding aggregate face amount of the Series of Certificates or if so directed by an Extraordinary Resolution, subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction, take one or more of the following steps:

- (a) enforce the provisions of the Purchase Undertaking and the Master Murabaha Agreement against the Obligor; and/or
- (b) start or join in legal proceedings against the Obligor, to recover from the Obligor any amounts owed to the Trustee; and/or
- (c) start or join in any other legal proceedings or take such other steps as the Trustee or the Delegate may consider necessary.

## 13. **REALISATION OF TRUST ASSETS**

13.1 Neither the Delegate nor the Trustee shall be bound in any circumstances to take any action to enforce or to realise the relevant Trust Assets or take any action or steps or proceedings against (as applicable) the Trustee and/or the Obligor under any Transaction Document to which either of the Trustee and/or the Obligor is a party unless directed or requested to do so: (i) by an Extraordinary Resolution; or (ii) in writing by the holders of at least 25 per cent. of the then outstanding aggregate face amount of the relevant Series of Certificates and, in either case, only if it is indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may, in its opinion, thereby render itself liable or which it may, in its opinion, incur by so doing.

13.2 No Certificateholder shall be entitled to proceed directly against the Trustee or through the Trustee against, the Obligor under the Certificates of any Series or any Transaction Document to which either of them is a party unless the Delegate, having become bound so to proceed, (i) fails to do so within a reasonable period or (ii) is unable to do so by reason of an order of a court having competent jurisdiction, and such failure or inability is continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the relevant Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Delegate and the Certificateholders against the Trustee or the Obligor shall be to enforce their respective obligations under the Transaction Documents to which they are a party.

13.3 Conditions 12.2 (*Enforcement and Exercise of Rights*), 13.1 and 13.2 are subject to this Condition 13.3. After enforcing or realising the Trust Assets in respect of the Certificates of the relevant Series and distributing the net proceeds of the Trust Assets in accordance with Condition 5.2 (*Application of Proceeds from Trust Assets*) and the Trust Deed, the obligations of the Trustee in respect of the Certificates of the relevant Series shall be satisfied and the Trustee shall not be liable for any further sums in respect of such Series and, accordingly, no Certificateholder may take any further steps against



the Trustee (to the extent that the Trust Assets have been exhausted) (or any steps against the Delegate) or any other person (including the Obligor (to the extent that it fulfils all of its obligations under the Transaction Documents)) to recover any further sums in respect of the Certificates of the relevant Series and the right to receive from the Trustee or the Delegate any such sums remaining unpaid shall be extinguished. In particular, no Certificateholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

#### 14. REPLACEMENT OF CERTIFICATES

If any Global Certificate or Individual Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Certificates are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Principal Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Trustee may reasonably require. A mutilated or defaced Global Certificate or Individual Certificate must be surrendered before replacements will be issued.

#### 15. AGENTS

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

The Agents and their Specified Offices are set out in the Agency Agreement. In respect of each Series of Certificates, the relevant Agents are specified in the applicable Pricing Supplement. The Trustee reserves the right at any time with the prior written approval of the Delegate to terminate the appointment of any Agent and to appoint additional or successor Agents; **provided, however, that:**

- (a) the Trustee shall at all times maintain a principal agent, a registrar and a transfer agent;
- (b) if a Calculation Agent is specified in the applicable Pricing Supplement, the Trustee shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Certificates are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Trustee shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Certificateholders.

#### 16. MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION AND WAIVER

##### 16.1 Meetings of Certificateholders

The Trust Deed contains provisions for convening meetings of the Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Certificates, the Conditions, or any of the provisions of the Trust Deed. Such a meeting may be convened by the Trustee, the Obligor or the Delegate, and shall be convened by the Trustee, or, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, the Delegate, if the Trustee or the Delegate (as the case may be) receives a request in writing from Certificateholders holding not less than five per cent. in aggregate face amount of the Certificates of any Series for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. in aggregate face amount of the Certificates for the time being outstanding, or at any adjourned meeting one or more persons being or representing Certificateholders whatever the aggregate face amount of the Certificates so held or represented, unless the business of such meeting includes consideration of proposals to (each, a “**Reserved Matter**”):

- (a) amend any Dissolution Date in respect of the Certificates or any date for payment of Periodic Distribution Amounts on the Certificates;
- (b) reduce or cancel the face amount of, or any premium payable on redemption of, the Certificates;
- (c) to reduce the rate or rates of profit in respect of the Certificates or to vary the method or basis of calculating the rate or rates or amount of profit or the basis for calculating any Periodic Distribution Amount in respect of the Certificates (other than as provided for in these Conditions);
- (d) if a Minimum Profit Rate and/or a Maximum Profit Rate is shown in the applicable Pricing Supplement, to reduce any such Minimum Profit Rate and/or Maximum Profit Rate;
- (e) vary any method of, or basis for, calculating the Dissolution Distribution Amount;
- (f) vary the currency of payment or denomination of the Certificates;
- (g) modify the provisions concerning the quorum required at any meeting of Certificateholders or the majority required to pass an Extraordinary Resolution;
- (h) modify or cancel the payment obligations of the Obligor (in any capacity) and/or the Trustee under the Transaction Documents and/or the Certificates (as the case may be);
- (i) amend any of the Company's covenants included in the Conditions or in any of the Transaction Documents;
- (j) amend the order of application of monies set out in Condition 5.2 (*Application of Proceeds from Trust Assets*); or
- (k) amend this definition,

in which case the necessary quorum shall be one or more persons holding or representing not less than two-thirds in aggregate face amount of the Certificates for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate face amount of the Certificates for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Certificateholders shall be binding on all the Certificateholders, whether or not they are present at the meeting.

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

## 16.2 **Modification**

The Delegate may (but shall not be obliged to), without the consent of the Certificateholders:

- (a) agree to any modification of any of the provisions of the Trust Deed or the Transaction Documents that is, in the sole opinion of the Delegate, (i) of a formal, minor or technical nature or (ii) made to correct a manifest error or (iii) is not materially prejudicial to the interests of the outstanding Certificateholders **provided that** such modification is, in the case of (iii), other than in respect of a Reserved Matter; or
- (b) (A) agree to any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or any other Transaction Document; or (B) determine that any Dissolution Event shall not be treated as such, **provided that** such waiver, authorisation or determination is: (i) in the sole opinion of the Delegate not materially prejudicial to the interests of the outstanding Certificateholders; (ii) in each case, other than in respect of a Reserved Matter; and (iii) not in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of that Series.

Any such modification, authorisation, determination or waiver shall be binding on all Certificateholders and, unless the Delegate agrees otherwise, such modification, waiver, authorisation or determination shall be notified by the Trustee (or the Obligor on its behalf) to the Certificateholders in accordance with Condition 18 (*Notices*) as soon as practicable thereafter.

In addition, pursuant to Condition 7.2(f) (*Benchmark Replacement*), certain changes may be made to the profit calculation provisions of the Certificates without the consent of Certificateholders.

### 16.3 **Entitlement of the Delegate**

In connection with the exercise of its powers, authorities and discretions (including but not limited to those referred to in this Condition 16.3) the Delegate shall have regard to the general interests of the Certificateholders as a class and shall not have regard to the consequences of such exercise for individual Certificateholders and the Delegate shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the Trustee, the Obligor or the Delegate any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders.

## 17. **DELEGATE**

### 17.1 **Delegation of powers**

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

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

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

### 17.2 **Indemnification**

The Trust Deed contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction. In particular, but without limitation, in connection with the exercise of any of its rights in respect of the relevant Trust Assets or any other right it may have pursuant to the Trust Deed or the other Transaction Documents, the Delegate shall in no circumstances be bound to take any action unless directed to do so in accordance with Condition 12 (*Dissolution Events*) or 13 (*Realisation of Trust Assets*), and then only if it shall also have been indemnified and/or secured and/or pre-funded to its satisfaction.

### 17.3 **No liability**

The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Obligor or the Trustee under the Transaction Documents to which

it is a party and shall not under any circumstances have any liability or be obliged to account to Certificateholders in respect of any payments which should have been paid by the Obligor but are not so paid and shall not in any circumstances have any liability arising from the relevant Trust Assets other than as expressly provided in these Conditions or in the relevant Trust Deed.

#### **17.4 Reliance on certificates and/or reports**

The Delegate may rely, without liability to any Certificateholder or any other person, on any certificate or report of the auditors or insolvency officials (as applicable) of the Trustee, the Obligor or any other person called for by or provided to the Delegate (whether or not addressed to the Delegate) in accordance with or for the purposes of the relevant Trust Deed or the other Transaction Documents and such certificate or report may be relied upon by the Delegate as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Delegate in connection therewith contains a monetary or other limit on the liability of the auditors of the Trustee, the Obligor or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by an engagement or similar letter or by the terms of the certificate or report itself and the Delegate shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failure to do so.

#### **17.5 Proper performance of duties**

Nothing shall, in any case in which the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee or delegate, in the case of the Trustee (having regard to the provisions of the relevant Trust Deed conferring on it any trusts, powers, authorities or discretions) or as donee and delegate, in the case of the Delegate (having regard to the powers, authorities and discretions conferred on it by the relevant Trust Deed and to the Relevant Powers delegated to it), respectively exempt the Trustee or the Delegate from or indemnify either of them against any Liability for gross negligence, wilful default or fraud of which either of them may be guilty in relation to their respective duties under the relevant Trust Deed.

#### **17.6 Notice of events**

The Delegate shall not be responsible for monitoring or ascertaining whether or not a Dissolution Event has occurred or exists and, unless and until it shall have received express written notice to the contrary, it will be entitled to assume that no such event or circumstance exists or has occurred (without any liability to Certificateholders or any other person for so doing).

### **18. NOTICES**

#### **18.1 Notices to Certificateholders while Certificates are held in Global Form**

So long as any Certificates are evidenced by a Global Certificate and such Global Certificate is held by or on behalf of DTC, Euroclear or Clearstream, notices to Holders may be given by delivery of such notice to the relevant clearing systems for communication by them to entitled account holders; *provided that*, so long as the Certificates are listed on any stock exchange, notice will also be published or otherwise given in accordance with the rules of such stock exchange and, in such case, such notices shall be deemed to have been given to Holders on the date of publication. In respect of Certificates listed on the Official List of Euronext Dublin, notice will be published on the website of Euronext Dublin, being <https://www.euronext.com/en/markets/dublin>.

#### **18.2 Notices to Holders of Individual Certificates**

Notices to Holders of Individual Certificates shall be given by publication in a leading English-language daily newspaper published in London, provided that, so long as the Certificates are listed on any stock exchange, notice will also be published or otherwise given in accordance with the rules of such stock exchange. In respect of Individual Certificates listed on the Official List of Euronext Dublin, notice will be published on the website of Euronext Dublin, being <https://www.euronext.com/en/markets/dublin>.

## 19. ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the applicable Pricing Supplement): (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.); (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up); (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount; and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 20. FURTHER ISSUES

The Trustee shall be at liberty from time to time without the consent of the Certificateholders to create and issue additional trust certificates having terms and conditions the same as the Certificates or the same in all respects (or in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue) and so that the same shall be consolidated and form a single Series with the outstanding Certificates. Any additional trust certificates which are to form a single Series with the outstanding Certificates previously constituted by the relevant Trust Deed shall be constituted by a deed supplemental to the relevant Trust Deed.

## 21. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Certificates under the Contracts (Rights of Third Parties) Act 1999.

## 22. GOVERNING LAW AND DISPUTE RESOLUTION

### 22.1 Governing law

The relevant Trust Deed, the Agency Agreement and the Certificates (including these Conditions) and any non-contractual obligations arising out of or in connection with the relevant Trust Deed, the Agency Agreement and the Certificates (including the remaining provisions of this Condition 22) are and shall be governed by, and construed in accordance with, English law.

### 22.2 Agreement to arbitrate

Any dispute, claim, difference or controversy arising out of, relating to or having any connection with the relevant Trust Deed, the Agency Agreement and the Certificates (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a “**Dispute**”) shall be referred to and finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration (“**LCIA**”) (the “**Rules**”), which Rules (as amended from time to time) are incorporated by reference into this Condition 22.2. In relation to any such arbitration:

- (a) the arbitral tribunal shall consist of 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;
- (b) the seat of arbitration shall be London, England; and
- (c) the language of the arbitration shall be English.

### 22.3 Option to litigate

Notwithstanding Condition 22.2 (*Arbitration*), any Certificateholder may, in the alternative, and at its sole discretion, by notice in writing to the Trustee and/or 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 any Certificateholder gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 22.4 (*Effect of exercise of an option to litigate*) and, subject as provided below, any arbitration commenced under Condition 22.2 (*Arbitration*) in respect of that Dispute will be terminated. With the exception of the Delegate and the Agents (whose costs will be borne by the Trustee, failing whom, 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 is given after service of any Request for Arbitration in respect of any Dispute, the relevant Certificateholder must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (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.

#### 22.4 **Effect of exercise of an option to litigate**

In the event that a notice pursuant to Condition 22.3 (*Option to litigate*) is issued, the following provisions shall apply:

- (a) subject to paragraph (c) below, the courts of England shall have 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 agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and
- (c) this Condition 22.4 is for the benefit of the Delegate and the Certificateholders only. As a result, and notwithstanding paragraph (a) above, to the extent allowed by law, the Delegate or any Certificateholder may take proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction. To the extent allowed by law, the Delegate or any Certificateholder may take concurrent Proceedings in any number of jurisdictions.

#### 22.5 **Appointment of Process Agent**

Each of the Trustee and the Obligor irrevocably appoints Law Debenture Corporate Services Limited at its registered office at 8th Floor, 100 Bishopsgate, London, EC2N 4AG as its agent for service of process, and undertakes that, in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Disputes and shall immediately notify Certificateholders of such appointment in accordance with Condition 18 (*Notices*). Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Trustee and/or the Obligor, as applicable). Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

#### 22.6 **Waiver of immunity**

The Obligor, to the extent permitted by law, hereby irrevocably and unconditionally waives and agrees not to raise with respect to the Certificates any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and to the extent permitted by law, 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 or assets whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any proceedings.

In particular (but not by way of limitation of the foregoing), the Obligor, to the extent permitted by law, agrees and confirms that Article 15(1) of the Execution Law in Civil and Commercial Matters (promulgated by Legislative Decree Law No. 22 of 2021) shall not apply, and shall not be so construed as to apply, to any proceedings for enforcement or execution of any order or judgment made in respect of or arising out of the Certificates or any provision hereof.

**22.7 Waiver of interest**

- (a) If any Proceedings are brought by or on behalf of any party under any of the Transaction Documents, each party agrees it will:
  - (i) not claim interest under, or in connection with, such Proceedings; and
  - (ii) to the fullest extent permitted by law, waive all and any entitlement it may have to interest awarded in its favour by any arbitrator or court as a result of such Proceedings.
- (b) For the avoidance of doubt, nothing in this Condition 22.7 shall be construed as a waiver of rights in respect of any Periodic Distribution Amounts, Dissolution Distribution Amounts, Exercise Price, Optional Dissolution Exercise Price, Certificateholder Put Right Exercise Price, Change of Control Put Right Exercise Price, Tangibility Event Put Right Exercise Price, Insurance Coverage Amount, Loss Shortfall Amount, Rental, Murabaha Profit, Murabaha Profit Instalment, Deferred Sale Price 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 arbitrator or court.

## FORM OF PRICING SUPPLEMENT

*Set out below is the form of Pricing Supplement which will be completed for each Tranche of Certificates issued under the Programme.*

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THE ISSUE OF THE CERTIFICATES DESCRIBED BELOW.**

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]**— The Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

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

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS]** – The Certificates are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Certificates or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Certificates or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[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 FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law 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 “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a 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.]

**[Singapore Securities and Futures Act Product Classification]** – Solely for the purposes of its obligations pursuant to sections 309B(1) of the Securities and Futures Act 2001 (Revised Edition) of Singapore, as modified or amended from time to time (the “**SFA**”), the Trustee has determined, and hereby notifies all relevant persons



(as defined in Section 309A(1) of the SFA) that the Certificates are [“prescribed capital markets products”]/[capital markets products other than “prescribed capital markets products”] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and [“Excluded Investment Products”]/[“Specified 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).]<sup>1</sup>

Pricing Supplement dated [●]

**nogaholding Sukuk Limited**

**Legal Entity Identifier (LEI): 54930062R6OFRHBRAI29**

**Issue of [Aggregate face amount of Series] [Title of Certificates]**

**under the U.S.\$3,000,000,000 Trust Certificate Issuance Programme**

**PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Certificates (the “**Conditions**”) set forth in the base listing particulars dated 15 May 2023 [and the supplement(s) to it dated [date]] ([together,] the “**Base Listing Particulars**”). This document constitutes the Pricing Supplement with respect to the Certificates described herein and must be read in conjunction with the Base Listing Particulars. Full information on the Trustee, the Obligor, and the offer of the Certificates is only available on the basis of the combination of this Pricing Supplement and the Base Listing Particulars. The Base Listing Particulars [(including the Supplement[s] thereto)] [is] [are] available for viewing on the website of Euronext Dublin (<https://www.euronext.com/en/markets/dublin>) and during normal business hours at the office of the Principal Paying Agent at 8 Canada Square, London, E14 5HQ, United Kingdom.] [This Pricing Supplement is available for viewing in electronic form on Euronext Dublin’s website (<https://www.euronext.com/en/markets/dublin>) (include only for listed Certificates).]

[When completing any Pricing Supplement, consideration should be given as to whether such terms or information constitute “significant change” or “significant new matter” and consequently trigger the need for a supplement to the Base Listing Particulars under the GEM Rules.]

- |    |  |  |
|----|--|--|
| 1. | Trustee:   | nogaholding Sukuk Limited  |
| 2. | Obligor and Service Agent:   | The Oil & Gas Holding Company B.S.C. (c)   |
| 3. | (a) Series Number:   | [●]  |
|    | (b) [Tranche Number:   | [●]]   |
|    | (c) [Date on which the Certificates will be consolidated and form a single Series: | [The Certificates will be consolidated and form a single Series with [●] on [the Issue Date]/[the date that is 40 days after the Issue Date]/[Not Applicable]] |
| 4. | Specified Currency or Currencies:  | [●]  |
| 5. | Aggregate Face Amount:   |  |
|    | (a) Series:  | [●]  |
|    | (b) [Tranche:  | [●]]   |
| 6. | (i) Issue Price:   | [●] per cent. of the Aggregate Face Amount   |
|    | (ii) Murabaha Investment Amount:   | [●]  |
|    | (iii) Murabaha Profit:   | [●]  |

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<sup>1</sup> To be included for offers of Certificates into Singapore. Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Trustee prior to the launch of the offer, pursuant to Section 309B of the SFA.

- (iv) Asset Purchase Price: [●]
7. (a) Specified Denominations: [●]
- (b) Calculation Amount: [●]
8. (a) Issue Date: [●]
- (b) Profit Commencement Date: [●]/[Issue Date][Not Applicable]
9. Scheduled Dissolution Date: [●]
10. Dissolution Basis: The Certificates will be redeemed at [100] per cent. of their aggregate face amount
11. Put/Call Options: [Not Applicable]
- [Certificateholder Put Right]
- [Optional Dissolution Right]
- [Change of Control Put Right]
12. (a) Status: The Certificates are direct, unsecured and limited recourse obligations of the Trustee
- The payment obligations of the Obligor (in any capacity) under the Transaction Documents are direct, unsecured and unsubordinated obligations
- (b) Date of Trustee board approval for issuance of Certificates and entry into the related Transaction Documents obtained: [●]
- (c) Date of the Obligor board approval for entry into the related Transaction Documents to which it is a party obtained: [●]

**PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE**

13. Fixed Rate Certificate Provisions: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Profit Rate[(s)]: [●] per cent. per annum
- (b) Periodic Distribution Date(s): [●] [and [●]] in each year up to and including the Scheduled Dissolution 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)]
- [Actual/Actual (ISDA)]

- [Actual/365 (Fixed)]
- [Actual/360]
- [30/360]
- [30E/360]
- [Eurobond Basis]
- [30E/360 (ISDA)]
- (f) Profit Rate Determination Date(s): [[•] in each year]/[Not Applicable]
14. Floating Rate Certificate Provisions: [Applicable]/[Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Specified Period(s)/Specified Periodic Distribution Dates: [[•] [, [•] and [•]] in each year up to and including the Scheduled Dissolution Date]/[, [in each case] subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
- (b) Business Day Convention: [Following Business Day Convention]/[Modified Following Business Day Convention]/[Modified Business Day Convention]/[Preceding Business Day Convention]/[FRN Convention]/[Floating Rate Convention]/[Eurodollar Convention]/[Not Applicable]
- (c) Additional Business Centre(s): [Not Applicable]/[•]
- (d) Screen Rate Determination:
- (i) Reference Rate: [•] [currency][number] months(s) [EURIBOR]
- (ii) Profit Rate Determination Date(s): [•]
- (iii) Relevant Screen Page: [•]
- (iv) Relevant Time: [•]
- (v) Relevant Financial Centre: [•]
- (e) Linear Interpolation: [Not Applicable]/[Applicable] – [The Profit Rate for the [[long][short]][[first][last]] Return Accumulation Period shall be calculated using Linear Interpolation]
- (f) Margin(s): [•] per cent. per annum
- (g) Minimum Profit Rate: [[•] per cent. per annum]/[Not Applicable]
- (h) Maximum Profit Rate: [[•] per cent. per annum]/[Not Applicable]
- (i) Day Count Fraction: [Actual/Actual (ICMA)]
- [Actual/Actual (ISDA)]

- [Actual/365 (Fixed)]
- [Actual/360]
- [30/360]
- [30E/360]
- [Eurobond Basis]
- [30E/360 (ISDA)]
- (j) Calculation Agent (party responsible for calculating the Profit Rate(s) and/or Periodic Distribution Amount(s)): [Principal Paying Agent]/[●]

**PROVISIONS RELATING TO DISSOLUTION**

15. Optional Dissolution Right: [Applicable]/[Not Applicable]
- (if not applicable, delete remaining sub-paragraphs of this paragraph)*
- (a) Dissolution Distribution Amount(s) of each Certificate: [Dissolution Distribution Amount][[●] per Calculation Amount]
  - (b) Optional Dissolution Date(s): [Any Periodic Distribution Date]/[●]
  - (c) If redeemable in part:
    - (i) Minimum Optional Dissolution Amount: [●]/[Not Applicable]
    - (ii) Maximum Optional Dissolution Amount: [●]/[Not Applicable]
16. Certificateholder Put Right: [Applicable]/[Not Applicable]
- (if not applicable, delete remaining sub-paragraphs of this paragraph)*
- (a) Certificateholder Put Right Date(s): [Any Periodic Distribution Date]/[●]
  - (b) Dissolution Distribution Amount(s) of each Certificate: [Dissolution Distribution Amount][[●] per Calculation Amount]
17. Change of Control Put Right: [Applicable]/[Not Applicable]
- (if not applicable, delete remaining sub-paragraphs of this paragraph)*
- (a) Dissolution Distribution Amount(s) of each Certificate: [Dissolution Distribution Amount][[●] per Calculation Amount]
18. Dissolution following a Tax Event:
- (a) Dissolution Distribution Amount(s) of each Certificate: [Dissolution Distribution Amount][[●] per Calculation Amount]

19. Dissolution Distribution Amount on [Dissolution Distribution Amount][[●] per Calculation Scheduled Dissolution Date or following the Amount] occurrence of a Dissolution Event:

**GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES**

20. Form of Certificates: Registered Form Certificates  
 [Global Certificate exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Global Certificate]  
 [Reg S Compliance Category [2]]/[Rule 144A]
21. Additional Financial Centre(s) or other [Not Applicable]/[●] special provisions relating to payment dates:

**PROVISIONS IN RESPECT OF THE TRUST ASSETS**

22. Details of Transaction Account: Transaction Account No: [●] with Citibank N.A., London Branch for Series No.: [●]
23. Other Transaction Document Information:
- (a) Supplemental Trust Deed: Supplemental Trust Deed dated [●] between the Trustee, the Obligor and the Delegate
  - (b) Supplemental Purchase Agreement: Supplemental Purchase Agreement dated [●] between the Purchaser and the Obligor
  - (c) Declaration of Commingling of Assets [Declaration of Commingling of Assets dated [●] executed by the Trustee]/[Not Applicable]
  - (d) [●]: [●]

**THIRD PARTY INFORMATION**

[[●] has been extracted from [●]. The Trustee and the Obligor each confirm that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading./[Not Applicable]

Signed on behalf of **nogaholding Sukuk Limited**

By: .....  
*Duly Authorised*

Signed on behalf of **The Oil & Gas Holding Company B.S.C. (c)**

By: .....  
*Duly Authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (a) Listing: [Euronext Dublin]
- (b) Admission to trading: [Application [has been][is expected to be] made by the Trustee (or on its behalf) for the Certificates to be admitted to [the Official List and to trading on the Global Exchange Market of Euronext Dublin] / [●] with effect from [●].] / [Not Applicable.]
- (c) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

[[The Certificates to be issued [have been/are expected to be] rated]:

[Fitch: [●]]

[[Other]: [●]]

#### ***Option 1—CRA established in the EEA and registered under the CRA Regulation***

[●] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”). [●] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website:

<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>

#### ***Option 2—CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation***

[●] is not established in the EEA but the rating it has given to the Certificates is endorsed by [●], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”). [●] appears on the latest update of the list of registered credit rating agencies (as of [insert date of most recent list]) on the ESMA website:

<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>

#### ***Option 3—CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation***

[●] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

#### ***Option 4—CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation***

[●] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”) and the rating it has given to the Certificates is not endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulator purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

***Option 5—Not Applicable***

**3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Save for any fees payable to the [Manager[s]]/[Dealer[s]], so far as the Trustee and the Obligor are aware, no person involved in the issue of the Certificates has an interest material to the offer. The [Manager[s]]/[Dealer[s]] 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 or the Obligor or their affiliates in the ordinary course of business for which they may receive fees.]

**4. USE OF PROCEEDS**

[General corporate purposes]/[●]

**5. ESTIMATED NET PROCEEDS**

[●]

**6. [PROFIT OR RETURN**

Indication of profit or return: [●] per cent. per annum

The profit or return is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future profit or return./[Not Applicable]

**7. HISTORIC RATES**

Details of historic [EURIBOR] rates can be obtained from [Reuters.]/[Not Applicable]

**8. OPERATIONAL INFORMATION**

(a) ISIN: [●]

(b) Common Code: [●]

(c) CUSIP: [●]

(d) FISN: [See/[●], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]

(e) CFI: [See/[●], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/[Not Applicable]/[Not Available]

*(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be “Not Applicable”)*

(f) Any clearing system(s) other than DTC, Euroclear and Clearstream and the relevant identification number(s): [Not Applicable]/[●]

(g) Delivery: Delivery [against]/[free of] payment

(h) Names and addresses of additional Paying Agent(s) (if any): [●]/[Not Applicable]

(i) Stabilisation Manager(s): [●]/[Not Applicable]

## 8. **DISTRIBUTION**

(a) Method of distribution: [Syndicated/Non-syndicated]

(b) If syndicated, names of Managers: [●]/[Not Applicable]

(c) Date of Subscription Agreement: [●]/[Not Applicable]

(d) If non-syndicated, name of relevant Dealer: [●]/[Not Applicable]

(e) U.S. Selling Restrictions: [Reg S Compliance Category [2]]/[Rule 144A]

(f) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

(g) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]



## FORM OF THE CERTIFICATES

The Certificates of each Series will be in registered form. The Certificates will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

### Global Certificates

#### *Form of Certificates*

The Certificates of each Series offered and sold in reliance on Regulation S, which will be sold to persons who are not U.S. persons outside the United States, will initially be represented by beneficial interests in a global certificate in registered form (an “**Unrestricted Global Certificate**”). See further “*Subscription and Sale*”.

The Certificates of each Series offered and sold in the United States or to U.S. persons may only be offered and sold in private transactions to QIBs who are also QPs, in each case acting for their own account or for the account of one or more QIBs who are also QPs. The Certificates of each Series sold to QIBs who are also QPs in reliance on Rule 144A will initially be represented by a global certificate in registered form (a “**Restricted Global Certificate**”, the Restricted Global Certificate and the Unrestricted Global Certificate, each, a “**Global Certificate**”). By the acquisition of a beneficial interest in such certificate, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and also a QP and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Restricted Global Certificate.

No beneficial interest in an Unrestricted Global Certificate may be transferred to a person who takes delivery in the form of a beneficial interest in a Restricted Global Certificate unless: (i) the transfer is to a person that is both a QIB and a QP, (ii) such transfer is made in reliance on Rule 144A, and (iii) the transferor provides the Registrar with a written certification to the effect that the transferor reasonably believes that the transferee is a QIB that is also a QP, that the transfer is being made in a transaction meeting the requirements of Rule 144A and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. No beneficial interest in the Restricted Global Certificates may be transferred to a person who takes delivery in the form of a beneficial interest in an Unrestricted Global Certificate unless the transfer is to a non-U.S. person in an offshore transaction in reliance on Regulation S and the transferor provides the Registrar with a written certification to the effect that the transfer is being made to a person who is a non-U.S. person in accordance with Regulation S.

Individual Certificates will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under “*Transfer Restrictions*”. The Global Certificates and the Individual Certificates will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Global Certificates will either: (i) be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC; or (ii) be deposited with a common depository for, and registered in the name of a nominee of, Euroclear and Clearstream, as specified in the applicable Pricing Supplement. 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 Individual Certificates in fully registered form.

For so long as any of the Certificates are represented by a Global Certificate held on behalf of Euroclear, Clearstream and/or DTC ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream and/or DTC and their respective participants. Each person (other than the relevant clearing system) who is for the time being shown in such records as the holder of a particular face amount of Certificates (in which regard any certificate or other document issued by the relevant clearing system 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 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 Global Certificate shall be treated as the holder of such face amount of such Certificates in accordance with and subject to the terms of the relevant Global Certificate.

### *Payments*

Each payment in respect of the Global Certificates will be made to the person shown as the holder in the relevant Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the

due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Certificates are being held is open for business. None of the Trustee, the Obligor, the Delegate, the Agents or any 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.

#### *Exchange for Individual Certificates*

Interests in Global Certificates will be exchangeable (free of charge), in whole but not in part, for Individual Certificates of a particular Series only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that: (i) a Dissolution Event has occurred and is continuing; (ii) in the case of Certificates registered in the name of Cede & Co as nominee for DTC, either DTC has notified the Trustee that it is unwilling or unable to continue to act as depository for the Certificates or DTC has ceased to constitute a clearing agency registered under the Exchange Act and, in either case, no alternative clearing system is available; (iii) in the case of Certificates registered in the name of a nominee for a common depository for Euroclear and Clearstream, the Trustee has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of fourteen (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; or (iv) the Trustee has or will become subject to adverse tax consequences which would not be suffered were the Certificates represented by the Global Certificates in definitive form and a certificate to that effect signed by two Directors of the Trustee is given to the Delegate. The Trustee will promptly give notice to Certificateholders in accordance with Condition 18 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream or any person acting on their behalf (acting on the instructions of any holder of an interest in such Global Certificates) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) and (iii) above, the Trustee may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten (10) days after the date of receipt of the first relevant notice by the Registrar. Individual Certificates issued in exchange for a beneficial interest in the Restricted Global Certificate shall bear the legends applicable to transfers pursuant to Rule 144A, as set out under “*Transfer Restrictions*”.

#### *Delivery*

Upon the transfer, exchange, or replacement of an Individual Certificate bearing the legend referred to under “*Transfer Restrictions*”, or upon specific request for removal of the legend on an Individual Certificate, the Trustee will deliver only Individual Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Trustee and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Trustee, that neither the legend nor the restrictions on transfer set out therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act. The same transfer restrictions outlined herein and in “*Transfer Restrictions*” are applicable to any Individual Certificates.

#### *Cancellation*

Cancellation of any Certificate represented by a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the aggregate face amount of the relevant Global Certificate in the relevant register of the Certificateholders, whereupon the face amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

#### *Put options*

If the Certificateholder Put Right or the Change of Control Put Right is specified as applicable in the applicable Pricing Supplement, or if a Tangibility Event occurs, the Certificateholder Put Right, the Change of Control Put Right or the Tangibility Event Put Right, as the case may be, may be exercised by the holder of the Global Certificate giving notice to the relevant Registrar or the relevant Transfer Agent of the face amount of Certificates in respect of which the option is exercised and presenting the Global Certificate within the time limits specified in Condition 8.4 (*Dissolution at the Option of the Certificateholders (Certificateholder Put Right)*), Condition 8.5 (*Dissolution at the Option of the Certificateholders (Change of Control Put Right)*) or Condition 8.6 (*Dissolution at the Option of Certificateholders (Tangibility Event Put Right)*), as the case may be.

## Notices

So long as any Certificates are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to the Certificateholders of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the Certificateholders of that Series. Any such notice shall be deemed to have been given to the Certificateholders on the day on which such notice is delivered to the relevant clearing system as aforesaid. The Trustee shall also ensure that notices are duly published in a manner that complies with any relevant rules of any stock exchange or other relevant authority on which the Certificates are for the time being, or by which they have for the time being been, admitted to trading.

## Transfer of Interests

Interests in a Global Certificates may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Certificate. No beneficial owner of an interest in a Global Certificates will be able to transfer such interest, except in accordance with the applicable procedures of DTC and/or Euroclear and/or Clearstream, in each case to the extent applicable.

**The Certificates are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “*Transfer Restrictions*”**

## General

Any reference herein to Euroclear and/or Clearstream and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Trustee, the Obligor, the Delegate and the Principal Paying Agent.

No Certificateholder shall be entitled to proceed directly against, or provide instructions to the Delegate to proceed against the Trustee or the Obligor under any Transaction Document to which either of them is party unless the Delegate, having become bound so to proceed, (i) fails so to do within a reasonable period or (ii) is unable by reason of an order of a court having competent jurisdiction, and such failure or inability is continuing. In addition, holders of interests in such Global Certificate credited to their accounts with DTC may require DTC to deliver Individual Certificates in registered form in exchange for their interest in such Global Certificate in accordance with DTC’s standard operating procedures. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets and the sole right of the Delegate and the Certificateholders against the Trustee and the Obligor shall be to enforce their respective obligations under the Transaction Documents.

The Trustee may agree with any Dealer that relevant Certificates may be issued in a form not contemplated by the Terms and Conditions of the Certificates in which event new Base Listing Particulars, drawdown listing particulars or a supplement to these Base Listing Particulars, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Certificates.

## USE OF PROCEEDS

The proceeds of each Series of Certificates issued under the Programme will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents to acquire:

- (a) the relevant Lease Assets from the Obligor; and
- (b) Commodities to be sold to the Obligor,

in each case as specified in the applicable Pricing Supplement and in the Master Purchase Agreement, the relevant Supplemental Purchase Agreement and the Murabaha Contract for the relevant Series, such assets to form part of the Trust Assets for the relevant Series.

The proceeds of each Series of Certificates subsequently received by the Obligor in consideration for the transactions entered into with the Trustee as set out above, as applicable, which include the proceeds received by the Obligor from (i) the sale of the Lease Assets and (ii) the on-sale of the Commodities by the Obligor, will be applied by the Obligor for its general corporate purposes or as otherwise described in the applicable Pricing Supplement.

## DESCRIPTION OF THE TRUSTEE

### General

nogaholding Sukuk Limited (the “Trustee”), an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 8 March 2021 under the Companies Act (as amended) of the Cayman Islands with company registration number 372592. The Trustee has been established as an exempt company for the sole purposes of issuing the Certificates and entering into the transactions contemplated by the Transaction Documents. The registered office of the Trustee is at the offices of Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands, and its telephone number is +1 345 814 7600.

The authorised share capital of the Trustee is U.S.\$50,000 divided into 50,000 ordinary shares of U.S.\$1.00 each, 250 of which have been issued at the date of these Base Listing Particulars. All of the issued shares (the “Shares”) are fully-paid and are held by Walkers Fiduciary Limited as share trustee (in such capacity, the “Share Trustee”) under the terms of a declaration of trust (the “Share Declaration of Trust”) under which the Share Trustee holds the Shares on trust until the Termination Date (as defined in the Share Declaration of Trust) and may only dispose or otherwise deal with the Shares in accordance with the Share Declaration of Trust. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power to benefit one or more Charity (as defined in the Share Declaration of Trust). It is not anticipated that any distribution will be made whilst any Certificates are outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to Charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

### Business of the Trustee

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

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

The Trustee has, and will have, no significant assets other than the sum of U.S.\$250 representing the issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of the Certificates and the acquisition of assets in connection with the Certificates, the bank account into which such paid-up share capital and fees are deposited and the Trust Assets. Save in respect of fees generated in connection with the issue of the Certificates any related profits and proceeds of any deposits and investments made from such fees or from amounts representing the Trustee’s issued and paid-up share capital, the Trustee does not expect to accumulate any surpluses.

The Certificates are the obligations of the Trustee alone and not the Share Trustee. Furthermore, they are not the obligations of, or guaranteed in any way by Walkers Fiduciary Limited or any other party.

### Restrictions on the Offer of the Certificates

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

### Financial Statements

Since the date of incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditor.

## Directors of the Trustee

The Directors of the Trustee are as follows:

### Name Principal Occupation

<u>Name</u>	<u>Principal Occupation</u>
Aaron Bennett.....	Senior Vice President, Walkers Fiduciary Limited
Gennie Bigord .....	Senior Vice President, Walkers Fiduciary Limited
Linval Stewart .....	Vice President, Walkers Fiduciary Limited

The business address of Aaron Bennett is c/o Walkers Professional Services (Middle East) Limited, Level 14, Burj Daman, DIFC, PO Box 506513, Dubai, United Arab Emirates.

The business address of Gennie Bigord is c/o Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The business address of Linval Stewart is c/o Walkers Fiduciary Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

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

Other than in their capacities as employees and officers of their Trustee Administrator (defined below) 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.

None of the Directors listed above have been convicted of any criminal offence or been the subject of any public incrimination sanctions, bankruptcy, receivership or liquidation proceedings.

### The Trustee Administrator

Walkers Fiduciary Limited also acts as the administrator of the Trustee (in such capacity, the "**Trustee Administrator**"). The office of the Trustee Administrator serves as the general business office of the Trustee. Through the office, and pursuant to the terms of a corporate services agreement entered into between, amongst others, the Trustee and the Trustee Administrator (the "**Corporate Services Agreement**"), the Trustee Administrator has agreed to perform in the Cayman Islands, the UAE and/or such other jurisdiction as may be agreed by the parties from time to time, various management functions on behalf of the Trustee, to provide certain clerical, administrative and other services and to provide registered office facilities to the Trustee until termination of the Corporate Services Agreement. In consideration of the foregoing, the Trustee 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 provide that either the Trustee or the Trustee Administrator may terminate such agreements upon the occurrence of certain stated events, including any breach by the other party of its obligations under such agreements. In addition, the Corporate Services Agreement that provides either party shall be entitled to terminate such agreements by giving at least one months' notice in writing to the other party.

The Trustee Administrator will be subject to the overview of the Trustee's Board of Directors.

The Trustee Administrator's principal office is 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands.

The Directors of the Trustee are all employees or officers of the Trustee Administrator or an affiliate thereof. The Trustee has no employees and is not expected to have any employees in the future.

## OVERVIEW OF BAHRAIN

### Location and Population

Bahrain is made up of 33 islands with a total land surface area of 786.5 square kilometres situated in the Arabian Gulf. The islands are about 24 kilometres from the east coast of Saudi Arabia and 28 kilometres from Qatar. The largest island, Bahrain Island, comprises nearly 91.3 per cent. of the total land area of Bahrain and is linked to mainland Saudi Arabia by a 25-kilometre causeway. The capital of Bahrain, Manama, is on Bahrain Island. Bahrain's other significant islands include the southern archipelago, Hawar, (which is near the coast of Qatar), Muharraq Island ("**Muharraq**") (which is Bahrain's second largest city and where Bahrain's international airport and the main port, Khalifa Bin Salman Port at Hidd, are located) and Sitra (a mainly industrial island). Muharraq and Sitra are connected to Bahrain Island by causeways.

Most of Bahrain is low-lying barren desert, with the highest point being approximately 134 metres above sea level, although the northern part of the country has been extensively urbanised and cultivated. Average rainfall in Bahrain is 47 millimetres *per annum*. Most of Bahrain is surrounded by the relatively shallow part of the Arabian Gulf known as the Gulf of Bahrain. Bahrain obtains its drinking water from underground freshwater deposits and, increasingly, from desalinisation plants.

A census is held in Bahrain every ten years. Bahrain's last census, held in March 2020 and the results of which were adopted by the Government in October 2020, recorded a population of 1,501,635, of whom 47.4 per cent. are Bahraini nationals, the remaining being principally expatriate workers.

According to the 2020 census, approximately 74.0 per cent. of the population are Muslim, with small minorities of Christians, Hindus and Jews also present. Arabic is the official language, although English is widely used.

The population is highly urbanised. According to the 2020 census, approximately 36.5 per cent. of the population lived in the capital governorate. According to the 2020 census, approximately 20.1 per cent. of the population is under the age of 15. The national education system is well established (with illiterate persons and those persons who can read only making up 1.8 per cent. of all persons aged 15 and over according to the 2020 census). Bahrain's life expectancy for men and women is 76 and 80 years, respectively.

Based on IGA estimates, Bahrain's population is expected to increase to 2.2 million by 2030.

### Constitution and Government

Under a new constitution adopted in February 2002 (the "**Constitution**") pursuant to the NAC, Bahrain is a hereditary constitutional monarchy with a democratic system of government. The system of government rests on a separation of the legislative, executive and judicial authorities. The legislative authority is vested in His Majesty the King and the National Assembly, in accordance with the Constitution. Executive authority is vested in His Majesty the King, together with the council of ministers (the "**Council of Ministers**"), which is the collective decision-making body of the Government, comprising all Government ministers. Ministerial and judicial rulings are issued in the King's name, in accordance with the Constitution. The Constitution also declares the state religion to be Islam, with Islamic *Shari'ah* as a principal source for legislation.

Under the Constitution, His Majesty the King is entitled to appoint the prime minister and other ministers. His Majesty the King is the supreme commander of the Bahrain Defence Force. His Majesty the King has power to conclude treaties on behalf of Bahrain, and any amendments to the Constitution require the approval of His Majesty the King.

#### *The National Assembly and Elections*

The Constitution provides for a National Assembly comprised of two chambers: the consultative council (the "**Shura Council**") and the chamber of deputies (the "**Chamber of Deputies**"). Each chamber has 40 members. The members of the Chamber of Deputies are elected in national elections, whereas the members of the Shura Council are appointed by His Majesty the King. Members of the Chamber of Deputies and Shura Council each serve four-year terms.

Legislation is initiated in the Chamber of Deputies, and draft laws are considered by the Shura Council, which has the power to comment on, and suggest alterations to, proposed legislation. New laws may only be passed when approved by both chambers and ratified by His Majesty the King.

The Chamber of Deputies represents a wide range of political opinion in Bahrain and plays a significant role in the development of the democratic process. The first election to the Chamber of Deputies was held in 2002, albeit with only moderate participation by some political groups. The last three elections held in 2014, 2018 and 2022 experienced active participation from the major political groupings, albeit with boycotts by certain groups.

On 11 June 2016, His Majesty King Hamad bin Isa Al-Khalifa issued an amendment to the country's political society law, banning the use of religion in political societies. On 17 July 2016, Bahrain's High Civil Court dissolved Al Wefaq National Islamic Society citing attempts to undermine the Constitution, support for terrorism, slander of the judiciary and incitement of lawless action. In May 2018, Parliament approved a bill, which was ratified by the King in June 2018, barring members of certain dissolved opposition groups (including Al Wefaq National Islamic Society and Waad) from running in elections. See "*Risk Factors—Risk factors relating to Bahrain—Bahrain is subject to a number of ongoing domestic political risks*".

The most recent parliamentary elections were held on 12 November 2022. While hackers targeted certain Government and election websites prior to the elections in an effort to deter voters from participating and a few opposition political societies called for supporters to boycott the elections, 73 per cent. of eligible voters turned out to cast their votes, and independent candidates won 35 of 40 seats.

### ***Vision 2030***

*In* October 2008, the Government approved a long-term vision document called Vision 2030. Vision 2030's objective is to further diversify Bahrain's economy into a globally competitive economy led by private enterprise and predominantly based on high productivity sectors, including finance, services, logistics, tourism and industry. The economic vision sets out the aspirations for Bahrain's economy, government and society in accordance with the guiding principles of sustainability, competitiveness and fairness. The key priority areas of Vision 2030 are taken into account during each budget process and the Government continues to implement its objectives. As part of Vision 2030, the Government sets out four-year programmes that are approved by the legislative authority. The Government, with the support of the Economic Development Board of Bahrain (the "EDB"), monitors the progress of initiatives agreed under the four-year programme. His Royal Highness the Crown Prince, who was appointed as First Deputy Prime Minister in March 2013 and as Prime Minister in November 2020, is leading efforts to ensure the efficiency and effectiveness of the Government's performance, which will underpin its activities undertaken to achieve its economic vision.

### ***Government Plan 2023-2026***

In December 2022, Deputy Prime Minister Shaikh Khalid bin Abdulla Al Khalifa presented to parliament the 2023-2026 Government Action Plan under the theme "From Recovery to Sustainable Development" (the "**2023-2026 GP**").

The 2023-2026 GP contains three priorities: (i) security, stability and fairness; (ii) economic recovery and sustainable development; and (iii) competitive and quality government service.

The 2023-2026 GP objectives are to: (i) create more quality opportunities for citizens; (ii) establish community security that supports development and prosperity efforts; (iii) develop the efficiency of social support programmes and directing such support to citizens in need; (iv) support efforts for comprehensive development through transformation into a productive and prosperous economy; (v) continue efforts to achieve the goals of the FBP; (vi) build on the foundations of partnership with the private sector and enhance it towards achieving further comprehensive development; (vii) protect sources and natural resources and support international efforts to confront climate change; (viii) continue work to develop performance and quality of government services and its sustainability; (ix) enhance Bahraini women's progression and contribution in public life and to the nation's economy; and (x) provide the youth sector with the necessary support to enable it to increase its participation in development and achievement.

## **Economy of Bahrain**

### ***Introduction***

Bahrain enjoys a strong, diverse and competitive economy.

Oil continues to play an important part in Bahrain's economy, in particular from the offshore Abu Saafa Field, which Bahrain shares with Saudi Arabia and the onshore Bahrain Field.



Tatweer has made significant advancements in the appraisal of its tight gas reserves in the pre-Unayzah formations within the Bahrain Field. Peripheral Khuff wells have been deepened in order to obtain important geological and reservoir data confirming the extension of gas reserves beyond previously penetrated limits. Two dedicated pre-Unayzah wells have now been drilled, completed and connected to the gas production networks. In addition, Tatweer drilled three additional wells in 2022 to appraise and develop the gas reserves in Jubah and Jauf reservoirs, respectively. Further, Tatweer is planning to drill seven additional pre-Unayzah wells throughout 2023.

Bahrain is also moving to diversify its economy away from a dependence on oil, with an increasingly important financial services industry (acting as a financial centre for the MENA region). Bahrain is believed to have one of the most diverse economies in the GCC; the hydrocarbons sector only accounted for 18.5 per cent. of real GDP in 2018 and 2019, 19.4 per cent. of real GDP in 2020, 18.9 per cent. of real GDP in 2021 and 17.7 per cent. of real GDP in 2022. In 2019, Bahrain was ranked 45th of 141 countries worldwide (compared to 50th of 140 countries in 2018) for its overall global competitiveness ranking in the World Economic Forum's *Global Competitiveness Report 2019*.

The Economic Development Board is the leading organisation for the promotion of economic development in Bahrain. It is currently actively targeting five sectors for development: manufacturing; logistics; information and communications technology; financial services and tourism. The office of the First Deputy Prime Minister is responsible for development of the education and healthcare services sectors.

In line with its priority to develop non-oil activities, such as manufacturing and financial services since at least the late 1960s, Bahrain has remained a regional leader in economic diversification. Bahrain is believed to have one of the most diverse economies in the GCC, as the hydrocarbons sector only accounted for 19.4 per cent. of real GDP in 2020, 18.9 per cent. of real GDP in 2021 and 17.7 per cent. of real GDP in 2022. This proportion has fallen from 43.6 per cent. in 2000 despite the positive absolute growth in hydrocarbons extraction. Four sectors of the economy – hydrocarbons, financial services, manufacturing and government services – each generated more than 10 per cent. of GDP in 2022.

Apart from the relatively flat hydrocarbons sector, the other three sectors have been important contributors to growth, each increasing at a compound average annual rate of more than 5 per cent. since 2000. While the largest sectors have been instrumental in reshaping the Bahraini economy, diversification in the Kingdom is increasingly driven by a group of medium-sized sectors, in particular, social and personal services (principally composed of private education and health care), as well as construction, which have each posted strong compound annual average growth rates since 2000. Transportation and communications has had an annual average pace of 6.4 per cent. over the same period, followed by hotels and restaurants at 5.0 per cent. These figures include the adverse impact of the COVID-19 pandemic in 2020, particularly on hotels and restaurants as a result of the restrictions imposed to combat the spread of COVID-19 in the Kingdom. Each of these sectors, with the partial exception of construction, are characterised by relatively limited direct or indirect dependence on oil, and their growth is linked to demographic, regulatory, and connectivity drivers that are at the heart of Bahrain's competitiveness.

A brief overview of some of the other principal sectors contributing to Bahrain's GDP is as follows.

### *Manufacturing*

Bahrain has a highly developed manufacturing sector, with significant contributions from aluminium and steel, oil refining and food processing. Subsectors, such as food processing, fast-moving consumer goods and other high-value downstream activities have experienced relatively high growth within the sector. Bahrain considers manufacturing to be a strategic sector, has invested in industrial parks, such as the Bahrain International Investment Park, and the Alba Line 6 Expansion Project (inaugurated in November 2019), which is expected to significantly expand aluminium production capacity in the downstream market.

The manufacturing sector accounted for 14.4 per cent. of real GDP in 2019, 14.3 per cent. of real GDP in 2020 and 14.0 per cent. of real GDP in 2021 and for 14.0 per cent. of real GDP in 2022.

### *Logistics*

Bahrain's strategic goal is to provide logistics services for the larger GCC market and the northern Arabian Gulf. Currently, Bahrain is host to several global logistics companies, which operate across the GCC, including DHL, Agility and Aramex. Bahrain's current logistics strategy aims to further reduce cargo travel time from Bahrain across the GCC region by improving customs procedures, as well as expanding the Bahrain Logistics Zone in the Hidd area. Bahrain is also undertaking major infrastructure projects, including dredging the Bahrain Approach

Channel (phase one of which was completed in 2010), the new passenger terminal building at Bahrain International Airport, which was opened in January 2021, and is part of a larger airport modernisation project and expanding rail connections to other GCC countries.

### *ICT*

Bahrain has a high quality modern telecommunications system, currently operated by the Bahrain Telecommunications Company B.S.C. (“**Batelco**”), Zain Bahrain B.S.C. (c) (“**Zain**”) and Saudi Telecommunications Company (“**STC**”) through its “*Viva*” operations. The sector is regulated by the Telecommunications Regulatory Authority (“**TRA**”), which has created a mature regulatory environment that has been consistently ranked among the best in the MENA region, and is ranked 54th of 131 countries in the 2022 Network Readiness Index published by the World Economic Forum. The TRA regularly publishes Bahrain’s National Telecommunications Plans. In October 2020, the Government approved the Fifth National Telecommunications Plan, which targets completing the development of the national broadband network, extending its coverage to all homes and institutions at fair and reasonable prices, achieving full equality in the provision of services and enhancing the role of Bahrain’s national broadband network in developing infrastructure for optical fibres by the end of 2023. The TRA has also committed to create an independent infrastructure provider, with the purpose of enhancing efficiency and provision of service to all companies in Bahrain that provide telecommunications services and online content.

### *Financial Services*

Bahrain has a well-developed banking, insurance and fund industry, driven by a comprehensive regulatory framework set by the Bahrain’s sole financial regulator, the CBB. Bahrain has the largest concentration of Islamic finance institutions in the GCC region, including Islamic banks, Takaful and Retakaful firms and professional bodies and associations setting global standards for the industry. Capitalising on Bahrain’s more than 14,000-strong highly-skilled and bilingual local workforce in financial services, the EDB has prioritised its development efforts to focus on deepening Bahrain’s ancillary financial services and building on its financial technology sector, including payment services. The financial services sector accounted for 16.0 per cent. of real GDP in 2019, 17.1 per cent. of real GDP in 2020, 17.7 per cent. of real GDP in 2021 and 17.5 per cent. of real GDP in 2022.

### *Tourism*

Prior to the emergence of COVID-19, visitor numbers to Bahrain had been growing, with Bahrain being a particularly popular destination for GCC visitors. The number of hotel rooms in the Kingdom doubled between 2015 and 2019, with occupancy rates averaging 48.2 per cent. in 2019. The Bahrain Tourism Strategy 2015-2018 focused on a number of initiatives, including the development of public waterfront developments, improving access to culture and antiquity sites, as well as large scale development projects from the private and public sector, which included re-developing Hawar Island and building several mixed-use projects. However, the tourism industry was particularly impacted by the COVID-19 pandemic and the corresponding restrictions on travel. In July 2021, the Industry, Commerce and Tourism Minister announced plans to launch Bahrain’s “Tourism Strategy 2.0” with a plan to “diversify and go global” in a post-pandemic world and attract 14.1 million tourists by 2026. 9.9 million tourists visited Bahrain in 2022, exceeding the target of 8.3 million by 19 per cent.

### *Healthcare*

Bahrain is expanding its healthcare industry, with the aim of becoming a leading healthcare destination in the region by investing in the cardiac and oncology treatment centres. This investment strategy aligns with Bahrain’s fiscal policy to increase its non-oil revenue.

### *Education*

The number of public schools in Bahrain increased from 204 schools in 2006 to 210 schools in 2022 (a 3 per cent. increase in public schools). Private schools have increased from 60 schools in 2006 to 76 schools in 2022 (a 27 per cent. increase). Six schools have been funded through the GCC Development Fund, amounting to U.S.\$85 million.

### *Infrastructure*

Bahrain’s economic development is supported by strong infrastructure which has been developed by the Government since the 1970s through continued public capital investment (being U.S.\$670 million in 2019, U.S.\$585 million in 2020, U.S.\$859 million in 2021 and budgeted as U.S.\$470 million in 2022).

In addition to direct Government capital expenditure, a number of additional projects are funded through development funds and grants. A number of major projects have been identified and approved by the Government, including major housing projects amounting to U.S.\$2.4 billion, electricity and water projects amounting to U.S.\$1.6 billion, roads and sewerage projects amounting to U.S.\$1.5 billion, airport improvement projects amounting to U.S.\$1.0 billion and a number of other projects, amounting to U.S.\$1.1 billion, focusing on education, health, social development, youth, sports and industry which are expected to be funded by grants received from the GCC Development Fund. See “—Public Finance—Government budget”.

Expenditures relating to projects funded by these grants are not recorded in the budget as capital expenditure. Amounts relating to the GCC Development Fund are received from the Saudi Fund, the Kuwait Fund and the Abu Dhabi Fund. Details of the amounts to be provided by these entities are set out in “—Public Finance—Government Budget”.

## Gross Domestic Product

The hydrocarbons sector (mining and quarrying) is the largest contributor to GDP (19.4 per cent. for the year ended 31 December 2020, 18.9 per cent. for 2021 and 17.7 per cent. for 2022) and the financial services sector is the single largest non-oil contributor to GDP (17.1 per cent. for 2020, 17.7 per cent. for 2021 and 17.5 per cent. for 2022), reflecting the importance of trade and finance to the domestic economy.

In 2020, economic growth in Bahrain was primarily impacted by the COVID-19 pandemic and lower international oil prices, with real GDP declining by 4.7 per cent. In 2021 and 2022, Bahrain’s real GDP grew by 2.7 per cent. and 4.9 per cent., respectively. The International Monetary Fund (in its April 2023 World Economic Outlook) forecasts Bahrain’s real GDP to grow by 3.0 per cent. in 2023, 3.8 per cent. in 2024 and 2.7 per cent. in 2028.

A table setting out Bahrain’s GDP by economic activity based on constant 2010 prices and by percentage contribution is provided in “—Principal Sectors of the Economy” below.

The following table sets out the GDP of Bahrain for the periods indicated, both as a total and on a per capita basis, and both in current prices and constant 2010 prices for the periods indicated:

	For the year ended 31 December <sup>(1)</sup>				
	2018	2019	2020	2021 <sup>(2)</sup>	2022 <sup>(2)</sup>
GDP at current prices (U.S.\$ millions) <sup>(3)</sup> .....	37,802.0	38,653.8	34,621.8	39,303.4	44,390.7
GDP at constant 2010 prices (U.S.\$ millions) <sup>(3)</sup> .....	33,826.9	34,551.3	32,946.5	33,826.1	35,470.2
<b>Percentage change over previous period:</b>					
At current prices (%) .....	6.6	2.3	(10.4)	13.5	12.9
At constant 2010 prices (%) .....	2.1	2.2 <sup>(4)</sup>	(4.7)	2.7	4.9
<b>Per capita<sup>(4)</sup>:</b>					
At current prices (U.S.\$) <sup>(3)(4)</sup> .....	25,073.0	26,050.8	23,585.7	26,126.2	28,657.7
At constant 2010 prices (U.S.\$) <sup>(3)(4)</sup> .....	22,362.0	23,286.2	22,310.1	22,485.3	22,898.8

### Notes:

(1) Certain figures in this table differ from previously published figures.

(2) Figures are based on preliminary data.

(3) Using the fixed conversion rate of BD0.376 = U.S.\$1.00.

(4) Assuming a population of 1,503,091 in 2018, 1,483,756 in 2019, 1,472,204 in 2020 and 1,504,365 in 2021, according to Information eGovernment Authority data and 1,549,000 in 2022, according to International Monetary Fund data.

Source: Central Bank of Bahrain

Direct government consumption constituted approximately 15.8 per cent. of current GDP in 2021, a decrease from 17.1 per cent. of GDP in 2020. Government consumption also affects private consumption since the Government is the country’s major employer and promoter of capital projects. In addition, Government procurement contracts are a major source of work for many private companies in Bahrain. Government consumption increased (in nominal terms) since 2000 to reach U.S.\$6,211.1 million in 2021 and U.S.\$5,933.1 million in 2020. Investment is affected by the oil sector with gross fixed capital formation and stock building being influenced by periods of fluctuating oil prices. See “—Introduction”.

The following table sets out GDP in current prices (using the expenditure approach) and in percentage terms for the periods indicated.

	2018		2019		2020		2021	
	(U.S.\$ millions) <sup>(1)</sup>	(%)	(U.S.\$ millions) <sup>(1)</sup>	(%)	(U.S.\$ millions) <sup>(1)</sup>	(%)	(U.S.\$ millions) <sup>(1)</sup>	(%)
Private consumption.....	15,404.5	40.8	15,616.8	40.4	14,586.3	42.1	15,383.0	39.1
Government consumption .....	6,156.5	16.43	6,064.7	15.7	5,933.1	17.1	6,211.1	15.8
Gross fixed capital formation.....	11,137.1	29.5	10,742.8	27.8	10,004.1	28.9	9,669.9	24.6
Change in stocks <sup>(2)</sup> .....	2,193.6	5.8	1,873.0	4.8	2,146.3	6.2	382.2	1.0
Net exports of goods and services .....	2,910.4	7.7	4,356.7	11.3	1,952.4	5.6	7,657.2	19.5
Exports of goods and services.....	29,959.0	79.3	29,564.4	76.5	25,249.2	72.9	35,234.6	89.6
Imports of goods and services.....	27,048.7	71.6	25,207.7	65.2	23,296.8	67.3	27,577.4	70.2
<b>GDP<sup>(3)</sup>.....</b>	<b>37,802.0<sup>(3)</sup></b>	<b>100.0</b>	<b>38,653.3</b>	<b>100.0</b>	<b>34,723.4</b>	<b>100.0</b>	<b>39,303.4</b>	<b>100.0</b>

**Notes:**

- (1) Using the fixed conversion rate of BD0.376 = U.S.\$1.00.
- (2) Including net errors and omissions.
- (3) Updated consumption figures are not available as at the date of these Base Listing Particulars. Accordingly, 2018 GDP figures in this table differ from other published GDP figures.

Source: Central Bank of Bahrain

The following table sets out the growth in real GDP in percentage terms (by expenditure approach) based on constant 2010 prices for the periods indicated.

	2018		2019		2020		2021	
	(U.S.\$ millions) <sup>(1)</sup>	(%)	(U.S.\$ millions) <sup>(1)</sup>	(%)	(U.S.\$ millions) <sup>(1)</sup>	(%)	(U.S.\$ millions) <sup>(1)</sup>	(%)
Private consumption.....	13,096.0	38.7	13,162.1	38.1	12,584.8	38.2	14,965.6	44.2
Government consumption.....	5,659.2	16.7	5,573.8	16.1	5,432.7	16.5	5,784.3	17.1
Gross fixed capital formation....	9,768.2	28.9	9,497.8	27.5	9,136.9	27.7	8,751.9	25.9
Change in stocks <sup>(2)</sup> .....	1,047.9	3.1	658.6	1.9	686.5	2.1	(5,429.6)	(16.1)
Net exports of goods and services.....	4,247.1	12.6	5,659.0	16.4	5,105.6	15.5	9,753.9	28.8
Exports of goods and services	27,709.0	81.9	27,814.5	80.5	27,105.7	82.3	35,094.7	103.8
Imports of goods and services	23,461.8	69.4	22,155.5	64.1	22,000.1	66.8	25,340.8	74.9
<b>GDP<sup>(3)</sup>.....</b>	<b>33,818.4<sup>(3)</sup></b>	<b>100.0</b>	<b>34,551.3</b>	<b>100.0</b>	<b>32,946.5</b>	<b>100.0</b>	<b>33,826.1</b>	<b>100.0</b>

**Notes:**

- (1) Using the fixed conversion rate of BD0.376 = U.S.\$1.00.
- (2) Including net errors and omissions.
- (3) Updated consumption figures are not available as at the date of these Base Listing Particulars. Accordingly, 2018 GDP figures in this table differ from other published GDP figures.

Source: Central Bank of Bahrain

**Principal Sectors of the Economy**

The table below sets out Bahrain's GDP by economic activity based on current prices and by percentage contribution for the periods indicated.

	2018		2019		2020 <sup>(1)</sup>		2021 <sup>(1)</sup>		2022 <sup>(2)</sup>	
	(U.S.\$ millions) <sup>(2)</sup>	(%)	(U.S.\$ millions) <sup>(2)</sup>	(%)	(U.S.\$ millions) <sup>(3)</sup>	(%)	(U.S.\$ millions) <sup>(3)</sup>	(%)	(U.S.\$ millions) <sup>(2)</sup>	(%)
<b>Non-financial corporations .....</b>	<b>25,981.0</b>	<b>68.7</b>	<b>26,370.5</b>	<b>68.2</b>	<b>22,358.6</b>	<b>64.6</b>	<b>26,464.3</b>	<b>67.3</b>	<b>30,288.3</b>	<b>68.2</b>
Agriculture and fishing .....	108.9	0.3	108.7	0.3	108.6	0.3	109.7	0.3	114.4	0.3
Mining and quarrying <sup>(4)</sup> .....	5,965.1	15.8	5,771.2	14.9	4,045.0	11.7	6,161.4	15.7	8,114.4	18.3
(i) Crude petroleum and natural gas.....	5,599.7	14.8	5,382.4	13.9	3,638.2	10.5	5,729.7	14.6	7,659.6	17.3
(ii) Quarrying.....	365.4	1.0	388.9	1.0	406.9	1.2	431.7	1.1	454.8	1.0
Manufacturing .....	6,660.7	17.6	6,811.3	17.6	6,333.8	18.3	8,071.8	20.5	9,516.5	21.4
Electricity and water .....	475.7	1.3	502.2	1.3	546.3	1.6	555.7	1.4	609.6	1.4
Construction .....	3,100.6	8.2	3,180.7	8.2	2,879.3	8.3	2,878.5	7.3	3,016.9	6.8
Trade.....	1,625.8	4.3	1,663.6	4.3	1,566.8	4.5	1,563.7	4.0	1,597.6	3.6
Hotels and restaurants .....	834.5	2.2	915.6	2.4	520.4	1.5	562.9	1.4	670.3	1.5
Transport and communications	2,810.0	7.4	3,002.1	7.8	2,380.0	6.9	2,516.3	6.4	2,550.0	5.7
Social and personal services ....	2,328.3	6.2	2,412.5	6.2	2,104.6	6.1	2,142.1	5.5	2,113.3	4.8

	2018		2019		2020 <sup>(1)</sup>		2021 <sup>(1)</sup>		2022 <sup>(2)</sup>	
	(U.S.\$ millions) <sup>(2)</sup>	(%)	(U.S.\$ millions) <sup>(2)</sup>	(%)	(U.S.\$ millions) <sup>(3)</sup>	(%)	(U.S.\$ millions) <sup>(3)</sup>	(%)	(U.S.\$ millions) <sup>(2)</sup>	(%)
Real estate and business activities.....	2,071.3	5.5	2,002.6	5.2	1,873.8	5.4	1,902.2	4.8	1,985.3	4.5
<b>Financial corporations.....</b>	<b>6,173.0</b>	<b>16.3</b>	<b>6,060.6</b>	<b>15.7</b>	<b>6,225.7</b>	<b>18.0</b>	<b>6,640.3</b>	<b>16.9</b>	<b>6,959.7</b>	<b>15.7</b>
Financial institutions.....	2,137.9	5.7	1,992.9	5.2	2,103.2	6.1	2,444.6	6.2	2,752.5	6.2
Offshore financial institutions..	2,054.7	5.4	2,050.0	5.3	2,118.5	6.1	2,148.4	5.5	2,055.9	4.6
Insurance.....	1,980.4	5.2	2,017.7	5.2	2,004.1	5.8	2,047.3	5.2	2,151.4	4.8
<b>Government services.....</b>	<b>4,875.0</b>	<b>12.9</b>	<b>4,780.6</b>	<b>12.4</b>	<b>4,748.9</b>	<b>13.7</b>	<b>4,832.8</b>	<b>12.3</b>	<b>5,089.3</b>	<b>11.5</b>
Government education services.....	939.9	2.5	846.3	2.2	787.1	2.3	802.4	2.0	856.4	1.9
Government health services.....	726.9	1.9	723.5	1.9	749.5	2.2	792.6	2.0	758.4	1.7
Other Government services.....	3,208.2	8.5	3,210.8	8.3	3,212.4	9.3	3,237.9	8.2	3,474.4	3.6
<b>Private non-profit institutions serving households.....</b>	<b>19.8</b>	<b>0.1</b>	<b>15.9</b>	<b>0.0</b>	<b>12.2</b>	<b>0.0</b>	<b>11.8</b>	<b>0.0</b>	<b>12.1</b>	<b>0.0</b>
<b>Households with employed persons.....</b>	<b>340.7</b>	<b>0.9</b>	<b>328.0</b>	<b>0.8</b>	<b>282.3</b>	<b>0.8</b>	<b>275.7</b>	<b>0.7</b>	<b>301.1</b>	<b>0.7</b>
<b>GDP producer prices.....</b>	<b>37,389.4</b>	<b>98.9</b>	<b>37,555.6</b>	<b>97.2</b>	<b>33,627.7</b>	<b>97.1</b>	<b>37,225.0</b>	<b>97.3</b>	<b>42,650.5</b>	<b>96.1</b>
<b>Import duties.....</b>	<b>412.6</b>	<b>1.1</b>	<b>1,097.7</b>	<b>2.8</b>	<b>994.1</b>	<b>2.9</b>	<b>1,078.4</b>	<b>2.7</b>	<b>1,619.0</b>	<b>3.6</b>
<b>GDP<sup>(5)</sup>.....</b>	<b>37,802.0</b>	<b>100.0</b>	<b>38,653.3</b>	<b>100.0</b>	<b>34,621.8</b>	<b>100.0</b>	<b>39,303.4</b>	<b>100.0</b>	<b>44,390.8</b>	<b>100.0</b>

**Notes:**

- (1) Certain figures in this table differ from previously published figures.
- (2) Figures are based on preliminary data.
- (3) Using the fixed conversion rate of BD0.376 = U.S.\$1.00.
- (4) Mining and quarrying is comprised of (i) crude petroleum and natural gas and (ii) quarrying.
- (5) GDP figures for 2018, 2019 and 2020 differ from those previously published.

Source: Central Bank of Bahrain

The table below sets out Bahrain's GDP by economic activity based on constant 2010 prices and by percentage contribution for the periods indicated.

	2018		2019		2020 <sup>(1)</sup>		2021 <sup>(1)</sup>		2022 <sup>(2)</sup>	
	(U.S.\$ millions) <sup>(3)</sup>	(%)	(U.S.\$ millions) <sup>(3)</sup>	(%)	(U.S.\$ millions) <sup>(3)</sup>	(%)	(U.S.\$ millions) <sup>(3)</sup>	(%)	(U.S.\$ millions) <sup>(2)</sup>	(%)
<b>Non-financial corporations.....</b>	<b>23,150.0</b>	<b>68.5</b>	<b>23,426.4</b>	<b>67.8</b>	<b>21,813.8</b>	<b>66.2</b>	<b>22,208.6</b>	<b>65.7</b>	<b>22,730.7</b>	<b>64.1</b>
Agriculture and fishing.....	95.6	0.3	94.7	0.3	94.8	0.3	101.78	0.3	106.2	0.3
Mining and quarrying.....	6,256.1	18.5	6,383.6	18.5	6,389.3	19.4	6,389.0	18.9	6,292.8	17.7
(i) Crude petroleum and natural gas.....	5,982.1	17.7	6,112.2	17.7	6,105.7	18.5	6,089.8	18.0	6,006.8	16.9
(ii) Quarrying.....	274.0	0.8	271.4	0.8	283.6	0.9	299.2	0.9	286.0	0.8
Manufacturing.....	4,883.8	14.4	4,961.2	14.4	4,715.4	14.3	4,749.3	14.0	4,982.9	14.0
Electricity and water.....	335.5	1.0	381.2	1.1	509.4	1.5	524.6	1.6	523.7	1.5
Construction.....	2,449.9	7.2	2,514.7	7.3	2,491.5	7.6	2,511.5	7.4	2,546.6	7.2
Trade.....	1,512.6	4.5	1,528.7	4.4	1,418.1	4.3	1,434.6	4.2	1,512.3	4.3
Hotels and restaurants.....	793.2	2.3	854.9	2.5	482.7	1.5	519.2	1.5	591.3	1.7
Transport and communications.....	2,802.6	8.3	2,660.7	7.7	2,080.9	6.3	2,315.3	6.8	2,420.3	6.8
Social and personal services.....	2,115.4	6.3	2,177.4	6.3	1,891.8	5.7	1,866.7	5.5	1,858.7	5.2
Real estate and business activities.....	1,905.2	5.6	1,869.4	5.4	1,740.0	5.3	1,796.8	5.3	1,896.1	5.3
<b>Financial corporations.....</b>	<b>5,692.1</b>	<b>16.8</b>	<b>5,537.4</b>	<b>16.0</b>	<b>5,619.0</b>	<b>17.1</b>	<b>5,970.7</b>	<b>17.7</b>	<b>6,218.1</b>	<b>17.5</b>
Financial institutions.....	1,794.1	5.3	1,708.7	4.9	1,754.4	5.3	2,052.4	6.1	2,302.2	6.5
Offshore financial institutions.....	2,054.7	6.1	1,966.7	5.7	2,016.6	6.1	2,041.6	6.0	1,940.7	5.5
Insurance.....	1,843.3	5.5	1,862.0	5.4	1,847.9	5.6	1,976.8	5.5	1,975.2	5.6
<b>Government services.....</b>	<b>4,289.3</b>	<b>12.7</b>	<b>4,218.7</b>	<b>12.2</b>	<b>4,285.1</b>	<b>13.0</b>	<b>4,341.4</b>	<b>12.8</b>	<b>4,631.2</b>	<b>13.1</b>
Government education services.....	823.6	2.4	740.3	2.1	680.8	2.1	688.0	2.0	723.7	2.0
Government health services.....	679.6	2.0	685.4	2.0	689.8	2.1	762.4	2.3	719.3	2.3
Other Government services.....	2,786.1	8.2	2,793.0	8.1	2,914.5	8.8	2,891.0	8.5	3,188.3	9.0
<b>Private non-profit institutions serving households.....</b>	<b>13.2</b>	<b>0.0</b>	<b>14.0</b>	<b>0.0</b>	<b>12.6</b>	<b>0.0</b>	<b>12.4</b>	<b>0.0</b>	<b>12.4</b>	<b>0.0</b>
<b>Households with employed persons.....</b>	<b>293.7</b>	<b>0.9</b>	<b>280.8</b>	<b>0.8</b>	<b>247.2</b>	<b>0.8</b>	<b>241.9</b>	<b>0.7</b>	<b>258.9</b>	<b>0.7</b>
<b>GDP producer prices.....</b>	<b>33,438.4</b>	<b>98.9</b>	<b>33,477.2</b>	<b>96.9</b>	<b>31,977.6</b>	<b>97.1</b>	<b>32,775.0</b>	<b>96.9</b>	<b>33,851.3</b>	<b>95.4</b>
<b>Import duties.....</b>	<b>380.1</b>	<b>1.1</b>	<b>1,074.1</b>	<b>3.1</b>	<b>968.9</b>	<b>2.9</b>	<b>1,051.0</b>	<b>3.1</b>	<b>1,619.0</b>	<b>4.6</b>
<b>GDP.....</b>	<b>33,826.9</b>	<b>100.0</b>	<b>34,551.3</b>	<b>100.0</b>	<b>32,946.5</b>	<b>100.0</b>	<b>33,826.1</b>	<b>100.0</b>	<b>35,470.3</b>	<b>100.0</b>

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**Notes:**

- (1) Certain figures in this table differ from previously published figures.
- (2) Based on preliminary data.
- (3) Using the fixed conversion rate of BD0.376 = U.S.\$1.00.

*Source: Central Bank of Bahrain*

## **Public Finance**

Bahrain's budget deficit had been growing in recent years due to a counter cyclical policy of continued diversification of investment and public support during low oil price periods, and in 2020, due to the COVID-19 pandemic. However, in recognition of the importance of restructuring Government expenditures and revenues to align with positive economic growth, stabilising debt and strengthening fiscal sustainability, the Government introduced several initiatives between 2015 and 2017, focused on: (i) streamlining Government expenditure; (ii) increasing revenues; and (iii) redirecting government subsidies towards eligible citizens.

In late 2018 the Government announced the Fiscal Balance Programme (the "FBP"), which provides a roadmap for addressing Bahrain's fiscal challenges over the medium-term, with the overall objective to achieve a balanced budget by 2024 (a two-year extension from the original target of 2022 was made in 2021, due to the impact of COVID-19 and lower oil prices). To achieve this goal, initiatives were introduced, which are aimed at: (i) reducing Government operational expenditures; (ii) introducing a voluntary retirement scheme for government employees; (iii) balancing the Electricity and Water Authority's expenditures and revenue; (iv) streamlining the distribution of cash subsidies to citizens in need; (v) improving the efficiency of Government expenditure; and (vi) simplifying Government processes and increasing non-oil revenue. The principal goal of the 2021/2022 budget was to implement the FBP initiatives.

These initiatives have been bolstered by financial support including, in October 2018, a pledge of U.S.\$10 billion to Bahrain by Saudi Arabia, Kuwait and the UAE to support the FBP and to alleviate near-term financing constraints. This support package covered approximately 50 per cent. of Bahrain's total financing requirements until 2022 (approximately U.S.\$20 billion).

Under these broad targets, the FBP aims to strengthen the Kingdom's fiscal and economic foundations to ensure the sustainability of resources for future generations, including through: (i) further developing the provision of sustainable government services in education, health and social services; (ii) continuing the provision of subsidised electricity and water services to citizens in their primary residences; (iii) creating quality job opportunities for citizens and ample support to do business; (iv) establishing rules for the sustainable use of resources; (v) enhancing the efficiency and fairness of direct government support to citizens; (vi) continuing funding development and infrastructure projects; (vii) streamlining and improving the provision of government services to citizens and investors; and (viii) improving Bahrain's credit rating, thereby reducing the cost of financing for citizens and investors.

The Government's policy includes further developing non-oil streams of revenue and involves the introduction of new fees and charges across a number of sectors. To date, the Government has approved and implemented increases to primary healthcare charges, fees for licences and services provided by the Civil Aviation Authority, visa fees, postal and traffic violation fees, as well as recovering Government services costs through capital contributions. See "*Fiscal Policy*" for more information on Bahrain's fiscal policy.

### *Revisions to the FBP*

Prior to the onset of the COVID-19 pandemic in 2020, the Government was making substantial progress with the implementation of the FBP, with a meeting of the Minister of State for Financial Affairs of the UAE, the Minister of Finance of the State of Kuwait, the Minister of Finance and National Economy of the Kingdom and the Assistant Minister for International Financial Affairs and Macro-Fiscal Policies of Saudi Arabia in September 2019 noting that progress was being made and the positive outcomes achieved under the FBP had led to a decline in the actual deficit in the Kingdom in the first half of 2019 by 37.8 per cent. and an increase of non-oil revenues by 47 per cent., as compared to the corresponding period in 2018.

The COVID-19 pandemic and the prolonged low international oil price environment in 2019 and 2020 negatively affected the Kingdom's economy, resulting in higher actual and budgeted overall budget deficits than originally targeted by the FBP. The 2021/2022 budget, which included an oil price estimate of U.S.\$50 per barrel, provided for a budgeted overall budget deficit of U.S.\$3.3 billion for 2021 and U.S.\$3.2 billion for 2022, as compared to budget deficits of U.S.\$422.9 million for 2021 and U.S.\$58.5 million for 2022 targeted by the FBP launched in 2018. Accordingly, the Government reviewed the forecasts set out in the FBP and revised certain expected

outcomes, including extending the target to achieve an overall fiscal balance by two years, to 2024. In October 2021, the Ministers of Finance of Kuwait, the UAE and Saudi Arabia, together with the Arab Monetary Fund (in an advisory capacity), met with the Minister of Finance and National Economy of the Kingdom to discuss the FBP in light of the effects of the COVID-19 pandemic and reiterated their support for the FBP and the Kingdom's efforts to enhance fiscal stability and strengthen sustainable economic growth.

The revised FBP targets and the additional measures introduced are in line with the principles set out in the original 2018 FBP. The key components of the revised FBP include: (i) increasing VAT to 10 per cent. with effect from 1 January 2022; (ii) increasing annual contributions to the budget from Government-owned entities from 2023 (to include increased contributions from the Company, Mumtalakat, Eskan Bank and the Telecommunications Regulatory Authority, as well as new contributions from the Bahrain Tourism & Exhibitions Authority); (iii) introducing new Government services revenue initiatives, including a newly established Revenue Development Taskforce to drive non-oil revenue growth and the introduction of new fees and services; (iv) restructuring ministries and Government entities to streamline resources and increase manpower efficiency; (v) reducing recurrent non-manpower expenditure; (vi) reducing project spend (without impacting major projects); and (vii) establishing a mechanism to review and adjust commodities prices on a periodic basis to ensure they are in line with market prices.

### **Government budget**

Bahrain prepares budgets on a biennial basis, taking into account the key priority areas of Vision 2030 during each budgeting process. See “*Overview of Bahrain—Vision 2030*”. The budget is built around a two-year cycle, but separate budgets are also prepared for each calendar year. The financial year commences on 1 January and ends on 31 December.

Bahrain's budget is not consolidated. Local authorities are funded by transfers from the Government budget to cover any shortfall in their own budgets. Local authorities are not permitted to borrow funds in their own name.

Two holding companies, Bahrain Mumtalakat Holding B.S.C. (c) (“**Mumtalakat**”) and the Company, were established by Royal Decrees in June 2006 and August 2007, respectively. Mumtalakat is an independent holding company for the Government's non-oil and gas investments, while the Company is a holding company for the Government's oil and gas investments. Prior to the establishment of these two holding companies, the Government received income from the assets they now hold directly.

Bahrain's budget is presented on a modified cash basis.

### **Budget revenues and expenditures**

The following table summarises the execution of the Government budget for the periods indicated.

	For the year ended 31 December					
	2017	2018	2019	2020	2021	2022
	Actual	Actual	Actual	Actual	Actual	Actual <sup>(2)</sup>
	<i>(U.S.\$ millions, except where indicated)</i>					
<b>Revenues</b> .....	<b>5,854</b>	<b>7,381</b>	<b>7,719</b>	<b>5,538</b>	<b>6,956</b>	<b>9,281</b>
Oil and gas .....	4,395	6,080	5,559	3,279	4,743	6,438
Non-oil and gas .....	1,459	1,301	2,160	2,260	2,213	2,843
<b>Expenditure</b> .....	<b>9,407</b>	<b>9,762</b>	<b>9,537</b>	<b>9,981</b>	<b>9,489</b>	<b>9,755</b>
Recurrent expenditure <sup>(1)</sup> .....	8,464	8,891	8,867	8,994	8,661	9,063
Emergency expenditure .....	—	—	—	402	296	186
Projects expenditure .....	943	871	670	585	532	505
<b>Surplus/(deficit)</b> .....	<b>(3,553)</b>	<b>(2,380)</b>	<b>(1,818)</b>	<b>(4,443)</b>	<b>(2,533)</b>	<b>(474)</b>
Budget Deficit to GDP Ratio (per cent.) .....	(10)	(6)	(5)	(13)	(5)	(1)

#### **Notes:**

(1) Includes debt service and part of the Economic Stimulus Package related to the payment of the electricity and water bills.

(2) Preliminary figures.

*Source: MOFNE*

### **2019/2020 Budget**

The 2019/2020 budget was the first budget cycle to implement the FBP. The original 2019/2020 budget, inter alia, targeted: (i) decreases in recurrent expenditures of 1 per cent. in 2019 (as compared to the 2018 budget) and an increase of 1 per cent. in 2020 (as compared to the 2019 budget); (ii) decreases in manpower expenditure of 5 per cent. in 2019 (as compared to the 2018 budget) and 2 per cent. in 2020 (as compared to 2019 budgeted expenditures); and (iii) decreases in project expenditure of 39 per cent. in 2019 (as compared to the 2018 budget).

In 2019, actual deficit of U.S.\$1,818 million was recorded (compared to a budgeted deficit of U.S.\$1,971 million and reflecting a decrease of 23.6 per cent. compared to the actual deficit in 2018 and a decrease of 48.8 per cent. compared to the actual deficit in 2017) with recurrent expenditures reaching U.S.\$8,867 million (compared to budgeted recurrent expenditures of U.S.\$8,716). In 2019, the actual deficit was lower than the budgeted deficit primarily due to an increase in oil prices which resulted in higher oil revenue. In addition to this, actual non-oil revenue exceeded the budgeted non-oil revenue due to the implementation of various initiatives used to improve revenue collection, such as the adoption of pre-payments.

Furthermore, in 2019, VAT collection was U.S.\$692 million, which exceeded the estimated revenue from VAT by U.S.\$293 million for this period.

In July 2020, Decree No. 22 for the year 2020 was issued, which authorised emergency expenditures of BD177 million to fund the Government's efforts to combat COVID-19. These additional expenditures were included in the final accounts for 2020. In addition, Decree No. 23 for the year 2020 was issued to permit the Government to withdraw U.S.\$450 million from the Future Generations Fund on a one-time basis to support the state budget for the year 2020 and temporarily halt the allocation of oil revenues to the Future Generations Fund in 2020. The balance in the Future Generations Fund as of 30 June 2020 was approximately U.S.\$925 million.

In the 2020 adjusted budget, total revenue was budgeted at U.S.\$7,836 million for 2020, total expenditure was budgeted at U.S.\$9,985 million for 2020 and the budget deficit was budgeted at U.S.\$2,148 million for 2020. Non-oil revenues were budgeted at U.S.\$2,261 million for 2020.

In 2020, an actual deficit of U.S.\$4,443 was recorded (compared to a budgeted deficit in the adjusted 2020 budget of U.S.\$2,148 million) and reflecting an increase in the deficit of 144.4 per cent. compared to the actual deficit in 2019 with total expenditures reaching U.S.\$9,981 million (compared to budgeted total expenditures of U.S.\$9,985 million in the 2020 adjusted budget). Oil and gas revenues were below budgeted oil and gas revenues, primarily due to lower international oil prices, as well as the impact of COVID-19.

Key changes in fiscal consolidation measures in the 2019/2020 budget, as compared to previous budgets, include: (i) measures to implement the FBP in addition to the 2019/2022 GP; (ii) the introduction of VAT; (iii) the continued implementation of excise tax; (iv) a natural increase in supply and demand; and (v) the continued implementation of certain revenue development initiatives. The 2019/2020 budget assumes an average oil price of U.S.\$60 per barrel.

### **2021/2022 Budget**

The 2021/2022 budget was approved in March 2021 by Parliament and signed by the King as Law No. 9 of 2021 in April 2021. The 2021/2022 budget takes into account the Government's continued commitment in achieving the targets set out in the FBP, in particular, non-oil revenue and non-interest expenditure targets, while stimulating economic recovery and creating opportunities for citizens. Moreover, in October 2021, revised FBP targets were announced for the period 2022-2024 including additional measures to be introduced in line with the principles set out in the original FBP launched in 2018.

In 2021, an actual deficit of U.S.\$2,533 million was recorded (compared to a budgeted deficit in the adjusted 2021 budget of U.S.\$3,347 million) and reflecting a decrease in the deficit of 43 per cent. compared to the actual deficit in 2020, and with total expenditures reaching U.S.\$9,489 million (compared to budgeted total expenditures of U.S.\$9,745 million in the 2021 adjusted budget) and reflecting a decrease of 5 per cent. compared to actual total expenditures in 2020.

In preliminary data for 2022, an actual deficit of U.S.\$474 million was recorded (compared to a budgeted deficit in 2022 of U.S.\$3,150 million) reflecting a decrease in the deficit of 81 per cent. compared to the actual deficit in 2021, with total expenditure reaching U.S.\$9,755 million (compared to budgeted total expenditure of U.S.\$9,685 million in 2022). In 2022, the deficit was lower than the budgeted deficit primarily due to an increase in oil prices,



which resulted in higher oil revenue and the increase of non-oil revenues primarily due to the increase of VAT from 5 per cent. to 10 per cent. from 1 January 2022.

### **2023/2024 Budget**

On 27 March 2023, the Cabinet approved the draft 2023/2024 budget, which was submitted to Parliament for review and approval prior to ratification by His Majesty the King.

The Government is committed in reaching its FBP targets during the upcoming period through specifically increasing the share of non-oil revenue as a percentage of recurrent expenditure, within the larger target of achieving an overall fiscal balance by 2024 by increasing the non-oil revenue and further reductions in expenditures.

### **Non-budget expenditures**

In March 2011, the Foreign Ministers of the GCC announced the establishment of the GCC Development Fund to be provided as a grant and distributed between Bahrain and Oman, with Bahrain receiving U.S.\$7.5 billion to be distributed over a ten-year period.

GCC Development Fund proceeds are expected to be utilised towards the achievement of Vision 2030's developmental goals. For more information on this economic strategy, see "Overview of Bahrain—Vision 2030".

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

	<b>Saudi Arabia</b>	<b>Kuwait</b>	<b>UAE</b>	<b>Total</b>
	<i>(U.S.\$ millions)</i>			
Housing .....	460	996	890	2,346
Roads and Sewerage.....	785	470	210	1,465
Electricity and Water.....	581	940	50	1,571
Airport .....	—	—	1,013	1,013
Health.....	69	—	250	319
Education .....	85	—	10	95
Social .....	—	62	—	62
Industry.....	—	32	—	32
Youth and Sports.....	477	—	—	477
Others (Administration Fees) .....	—	—	50	50
To be allocated in next phase.....	43	—	27	70
<b>Total .....</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>7,500</b>

*Source: MOFNE*

In 2022, the Government continued to interact with the various funding agencies with regard to the progress of GCC Development Fund projects. As of the date of these Base Listing Particulars, BD43 million under the Saudi tranche and BD27 million under the UAE tranche are yet to be utilised and are currently being retained to cover any contingencies that may arise under completed projects or otherwise to be used towards future projects.

As of 31 December 2022, an amount of U.S.\$7.4 billion had been committed to 48 GCC Development Fund projects and U.S.\$5.1 billion had been certified as paid. Contracts in an amount of U.S.\$6.1 billion had been awarded in respect of 47 projects. Ten projects had been completed and 37 projects are ongoing.

### **Fiscal Policy**

Bahrain's budget deficit has grown in recent years due to a counter cyclical policy of continued diversification in investment and public support during low oil prices and during the COVID-19 pandemic. However, in recognition of the importance of restructuring Government expenditures and revenues to align with positive economic growth, stabilising debt and strengthening fiscal sustainability, the Government introduced several initiatives between 2015 and 2017, focused on: (i) streamlining Government expenditure; (ii) increasing revenues; and (iii) redirecting government subsidies towards eligible citizens.

The main objectives of Bahrain's general budget for the years 2019-2022 were:

- implementation of the Government action plan 2019-2022;
- implementation of the FBP initiatives; and
- implementing fiscal consolidation measures in connection with:
  - developing new non-oil revenue streams;
  - recovering costs on existing Government fees and services;
  - reducing Government expenditures; and
  - redirecting Government subsidies to target lower-income segments of the population.

Although oil continues to play an important role in Bahrain's economy, the Government continues to focus on (i) reducing subsidies; and (ii) further increasing non-oil revenues through various initiatives. Developing non-oil streams of revenue has involved the introduction of new fees and charges across a number of sectors. Since 30 December 2017, excise tax has been imposed on additional commodities and, between 1 January 2019 and 1 January 2022, VAT of 5 per cent. was charged on goods and services. In 2019, 2020 and 2021, VAT collection exceeded the estimated VAT revenue for such years. Since 1 January 2022, the VAT rate has increased to 10 per cent., which was budgeted to result in additional revenue of BD252 million in 2022, with preliminary results indicating BD296 million was raised in 2022.

## Revenue

The actual total revenues for the years ended 31 December 2017, 2018, 2019, 2020, 2021 and 2022, as well as, budgeted revenues for 2021 and 2022, are set forth below.

	2017	2018	2019	2020	2021	2021	2022	2022	2022	2023
	Actual <sup>(2)</sup>	Actual <sup>(2)</sup>	Actual	Actual	Actual	Budget	Actual <sup>(1)</sup>	Budget	FBP Revised <sup>(2)</sup>	FBP Revised <sup>(2)</sup>
	<i>(U.S.\$ millions)</i>									
Oil and gas.....	4,395	6,080	5,559	3,279	4,743	4,036	6,438	4,073	4,106	5,056
Non-oil and gas <sup>(3)</sup> .....	1,459	1,302	2,160	2,260	2,213	2,363	2,843	2,462	2,802	3,364
<i>Of which:</i>										
Taxation and fees.....	761	780	1,471	1,276	1,434	1,712	2,318	1,799	2,150	2,349
Government goods and services.....	203	228	205	194	164	212	199	216	208	403
Government investment and properties.....	314	186	367	680	499	339	216	347	347	501
Grants.....	75	—	—	—	—	—	—	—	—	—
Fines, penalties and miscellaneous.....	105	107	117	108	115	98	108	99	96	111
Sale of capital assets.....	1	1	1	1	1	1	3	1	1	1
<b>Total</b> .....	<b>5,854</b>	<b>7,382</b>	<b>7,719</b>	<b>5,539</b>	<b>6,956</b>	<b>6,399</b>	<b>9,281</b>	<b>6,908</b>	<b>6,908</b>	<b>8,420</b>

### Notes:

- (1) Preliminary estimated figures.
- (2) Includes grants.
- (3) Based on the revised FBP.

*Source: MOFNE*

The principal source of revenue since 2017 has been the oil and gas industry, which is highly dependent on world oil prices. In 2017, 2018, 2019, 2020 and 2021, revenues from the oil and gas industry represented 75.1 per cent., 82.4 per cent., 72.0 per cent., 59.2 per cent. and 68.2 per cent., respectively of total revenue. The share of non-oil and gas revenues to total revenues had generally been increasing over the five years ending 31 December 2021. In 2017, 2018, 2019, 2020 and 2021, non-oil revenues represented 24.9 per cent., 17.6 per cent., 28.0 per cent., 40.8 per cent. and 31.8 per cent., respectively of total revenues. According to MOFNE's preliminary estimated figures, in 2022, revenue from the oil and gas industry represented 69.4 per cent. of total revenue and non-oil and gas revenues represented 30.6 per cent. of total revenue.

In 2017, 2018, 2019, 2020 and 2021, taxation and fees revenue represented 13.0 per cent., 10.6 per cent., 19.1 per cent., 23.1 per cent. and 20.6 per cent., respectively of total revenue. According to MOFNE's preliminary estimated figures, in 2022, taxation and fees revenue represented 25 per cent. of total revenue.

Other significant sources of revenue include custom duty, primary health care services fees, visa fees, residence permits, car licences, company registration fees and fees for employment permits and, as of 1 January 2019, VAT.

Revenue from Government goods and services (the other significant non-oil contributor to total revenue) are principally comprised of port charges, airport taxes and airspace use fees.

Revenue from Government investments and properties are principally comprised of dividends earned on the Government's shareholdings. The Government's major domestic shareholdings as at 31 December 2022 were its 100 per cent. shareholding in each of its holding companies, Mumtalakat, the Company, and Eskan Bank.

### **Credit Rating**

Bahrain has been assigned the following credit ratings: B+ (stable outlook) by Fitch Ratings and B+ (positive outlook) by S&P.

On 1 December 2017, S&P downgraded Bahrain's rating from BB- to B+ with a stable outlook, reflecting S&P's view that Bahrain's gross international reserves were low and had become increasingly volatile, increasing Bahrain's financing risks should access to external liquidity deteriorate sharply, as well as its continued fiscal dependency on oil revenues, rapid accumulation of government debt and unresolved tensions. This rating was most recently revised by S&P on 25 November 2022 to a positive outlook.

On 14 August 2020, Fitch Ratings downgraded Bahrain's long-term foreign sovereign credit rating and local currency issuer default rating to B+ and assigned a stable outlook, reflecting Fitch Ratings' view that the Government had not identified a clear medium-term strategy to tackle high deficits and although Fitch Ratings noted that Bahrain had continued to implement measures to raise revenue, Fitch Ratings projected increasing government debt to GDP ratios, as well as the combined impact of lower oil prices and the COVID-19 pandemic on Bahrain. This rating was most recently affirmed by Fitch Ratings on 20 December 2022.

## RELATIONSHIP WITH THE GOVERNMENT

The Company was established by the Government with the purpose of managing the Government's assets in the oil and gas industry. The Company is the strategic investment and development arm of the Government and plays a fundamental role in the execution of the strategic plans of the Government and stewardship of the Government's long-term investments in the oil and gas industry. The Company aims to create shareholder value by the successful management and growth of its portfolio companies and believes that the Government considers its ownership of the Company as a long-term strategic holding. Previously, the Company was owned by NOGA. However, pursuant to Decree No. 99 of 2021 and as part of a restructuring and streamlining of Government entities, NOGA was abolished with effect from 25 September 2021, with all of NOGA's functions, allocated budget, employees and rights and obligations transferred to the Ministry of Oil and Environment. The transfer of ownership further strengthens the relationship between the Government and the Company.

The Government appoints all members of the Company's board of directors and the Government consequently has substantial representation in the management of the Company. Decree No. 71 for the year 2021 recently reorganised the board of directors to its current composition, with such individuals nominated by His Majesty King Hamad bin Isa Al Khalifa. The Chairman's appointment was renewed by virtue of Royal Decree No. 54 for the year 2021. The board comprises a Chairman and nine Board members and is composed of both public sector individuals, including key Government officials, and private sector individuals. For example, the deputy chairman of the board of directors, H.E. Shaikh Salman bin Khalifa Al Khalifa, is the Minister of Finance and National Economy for Bahrain and the managing director of the Company, Dr. Mohamed bin Mubarak Bin Daina, currently serves as the Minister of Oil and Environment. Please see "*Management and Employees—Management—Board of Directors*".

### ***Contributions and Support from the Government***

The Company is a holding company created by the Government to manage the Government's investments in the oil and gas industry. It therefore receives direct support from the Government in the form of oil and gas sector policies that are established by the Ministry of Oil and Environment and targeted to promote the growth of the Bahraini oil and gas industry by way of continued project development and investment. Please see "*Description of the Group*". The Government's support and contributions for the Company, and the Bahraini oil and gas industry more generally, go beyond general industry strategy into actual economic interests and investments.

All of the Company's assets were initially contributed, in-kind, by the Government and the Group has historically benefitted from significant Government support in the form of subsidised Bahrain crude oil. Since 2018, the Government has been providing Bapco with a minimum of 38,700 barrels per day of Bahrain crude oil at a subsidised price of U.S.\$1 per barrel pursuant to the 2018 COSA, although since 10 November 2009, Bapco has also been paying agreed production costs in respect of this subsidised Bahrain crude oil, pursuant to the COSPA.

In each of the years ended 31 December 2020, 2021 and 2022, Bapco received 38,700 bpd of subsidised crude oil pursuant to the COSA and paid production costs in respect of this subsidised crude oil of U.S.\$11.557 per barrel, U.S.\$11.846 per barrel and U.S.\$12.142, respectively, in accordance with the COSPA, resulting in Bapco receiving the subsidised crude oil at a cost of U.S.\$12.557 per barrel, U.S.\$12.846 per barrel and U.S.\$13.142, respectively.

This cost represented an average subsidy of U.S.\$29.036 per barrel, U.S.\$57.504 per barrel and U.S.\$87.996 per barrel in the years ended 31 December 2020, 2021 and 2022, respectively. In the event that Bahrain crude oil had been invoiced at market prices by the Government instead of COSA prices, the net profit of the Group for the year ended 31 December 2020, 2021 and 2022 would have been lower by BD157 million (U.S.\$418 million), BD306 million (U.S.\$813 million) and BD467 million (U.S.\$1,243 million), respectively.

These favourable supply terms have allowed Bapco to increase its refining margin and therefore assisted with the financing of its investment programme. Such terms were provided to Bapco in order to assist with the financing of Bapco's Strategic Investment Programme, a U.S.\$1.0 billion investment undertaken between 2004 and 2014, where several new units were added to the Sitra Refinery to ensure continued profitability, including the upgrading of low value fuel oil to more valuable low sulphur diesel and the production of Group III base oils. New processing facilities and environmental projects were also executed as part of this Strategic Investment Programme, including improvements to the wastewater treatment at the Sitra Refinery. Through the current Bapco Modernisation Programme, the Company plans to add new core process units, such as a new integrated crude and vacuum unit, a new ebullated-bed residue hydrocracker, a second HVGGO hydrocracker, a second ultra low sulphur diesel hydrotreater and several other process units and associated utilities. In addition, several old and inefficient process

units will be mothballed and decommissioned, with a view to achieving a more energy efficient and environmentally compliant facility, as well as improving the product slate at the Sitra Refinery by upgrading the refinery residue, improving gross margins and thereby remaining competitive under a wider range of feedstock and product prices and market conditions.

The Bahrain National Gas Expansion Company W.L.L. (“**Tawseah**”) has carried out the construction of the Bahrain Gas Plant Project, which was commissioned in November 2018 (see “*Description of the Group—Subsidiaries, Associates and Joint Operations—Subsidiaries—Banagas and Tawseah—Bahrain Gas Plant Project*”). The project was financed by a mixture of *Shari’ah*-compliant and commercial debt financing provided by international and regional banks, as well as a shareholder loan extended to Tawseah by the Company. In order to facilitate the financing of the project, the Government waived the obligation of Tawseah to make payment of the Government levy on gas production in respect of gas produced by the new gas processing facility and subordinated the obligation of Tawseah to make payment of the Government levy on gas production in respect of its existing gas processing facilities and fuel gas costs in respect of its new gas processing facility until no payment obligations under the financing remain outstanding. This assisted with enhancing the cash flow of Tawseah for the purposes of the debt repayment. The Central Bank of Bahrain also has included Tawseah in the list of entities that are eligible for zero-risk weighting, with the result that financing by banks in Bahrain in the project will not attract any capital charge.

### ***Oversight by the Government***

The Company is immediately accountable to the Government, with the Government as its direct shareholder. The Government’s Minister of Finance and National Economy is the deputy chairman of the Company’s board of directors, which provides the Government with direct oversight of the Company. The Government may also request that the Company’s board of directors convene for meetings outside of the scope set out in the Company’s articles of association to provide further oversight of the Company’s activities. The Government, as shareholder of the Company, also exercises control over the Company’s financial evaluation. For example, the board of directors will appoint an internationally recognised external auditor (or more) to evaluate the Company’s accounts and such appointment is based upon the recommendation of the Government.

Government activities in the oil and gas industry, including those of the Company, are overseen by the Council of Representatives of the Bahraini parliament. The Council of Representatives has been granted the exclusive right by the Constitution of Bahrain to oversee the work of the Government by using certain constitutional tools. Parliamentary tools at the disposal of the Council of Representatives, and each member therein, include the ability for questions to be asked in relation to certain matters, to verify the occurrence of certain incidents, or to request certain information, subject to certain conditions. Any queries related to the Company or any of its portfolio companies that are raised by the Bahraini parliament may be submitted by any member of the Council of Representatives to the Minister of Finance and National Economy. The Minister of Finance and National Economy may then request that the management of the Company provide responses and supporting material. In addition, further tools that the members of the Council of Representatives have to hold the Minister of Finance and National Economy to account include parliamentary interpellation, withdrawal of confidence in the Minister of Finance and National Economy, parliamentary inquiries and general parliamentary discussions.

The Company and its subsidiaries are subject to oversight by the National Audit Office (the “**NAO**”), which conducts regular reviews of the ministries, various governmental entities and public authorities. After finalising and consolidating the results of its various audits, the NAO submits its report annually to His Majesty, King Hamad bin Isa Al Khalifa, the Prime Minister and the Chairman of the Representatives Council. The Company is also subject to oversight by the Tender Board of Bahrain (established by a Royal Decree on 7 January 2003), whose main role is to oversee the procurement practices and processes of governmental bodies, to ensure transparency, fair competition, efficiency and the best use of public funds. It regulates Government tenders and purchases, with the aim of protecting public funds and preventing the undue influence of personal interests during the tender process, whilst achieving the highest levels of economic efficiency in a transparent, competitive and fair environment for contractors and suppliers.

Although created by royal decree and wholly-owned by the Government, the Company is incorporated as a commercial entity and is therefore subject to the commercial laws of Bahrain, however, the Company may only be dissolved or liquidated by Royal Decree. The Company is regulated by the Bahrain Chamber of Commerce and Industry as a closed shareholding company in Bahrain.

## **The Role of the Company in Bahrain’s Economic Strategy**

The Company plays a fundamental role in implementing, and contributing to, Bahrain’s economic strategy with regards to oil and gas investments and in meeting the needs of Bahrain’s industrial growth and increasing revenues for its sole shareholder, the Government. The Company has a focused mandate from the Government to invest in energy and energy-related industries strongly linked to Bahrain’s core hydrocarbon-based economy where the oil sector (crude petroleum, natural gas and quarrying) is the largest contribution to GDP (17.7 per cent. for the year ended 31 December 2022). See “*Description of the Group—Strategy*”.

### ***Increased Oil and Gas Production***

The Company and its portfolio companies are currently involved in a number of major projects that revolve around increased oil and gas production within the country in order to generate further revenues for its sole shareholder, the Government.

The Company and its portfolio companies are responsible for financing, developing and managing Bahrain’s oil and gas fields and reserves, which are owned by the Government. For example, Tatweer is involved in the continuing development of the Bahrain Field, where it continues to undertake drilling and maintenance work in order to increase production and exploration in order to discover further potential reserves, as well as carrying out the Bahrain Field Oil and Gas Development and Expansion Programme (please see “*Description of the Group—Subsidiaries—Tatweer—Bahrain Field Oil and Gas Development and Expansion Programme*”); the Bahrain Gas Plant Project was completed by Bahrain National Gas Company B.S.C. (c) (“**Banagas**”), its joint venture with Boubyan Petrochemical Company (“**Boubyan**”) and Chevron Bahrain Trading Company S.P.C. (“**Chevron Bahrain**”) in order to further increase gas processing capacity within Bahrain for the production of marketable natural gas liquids and increase the processing of refinery off-gas supplied by Bapco; while the Bapco Modernisation Programme being carried out by Bapco is designed to increase refinery production and profitability.

### ***Implementation of the Kingdom’s Energy Policy***

The Ministry of Oil and Environment proposes and implements government energy policies and regulates the energy industry in Bahrain. The Company is the strategic investment and development arm of the Government and, therefore, plays a fundamental role in the implementation of the Government’s policies and strategies.

In accordance with the Government’s long-term energy strategy of supplementing available natural gas by importing liquefied natural gas (“**LNG**”) to reduce its dependence on domestic gas, the Company has developed a Bahrain LNG Import Terminal. The Bahrain LNG Import Terminal forms a key part of the energy infrastructure of Bahrain. It has been developed with a view to giving Bahrain the security of supply that it needs to meet its growth in demand for natural gas to fuel large industrial projects, to generate power and water and to increase oil recovery. The Bahrain LNG Import Terminal seeks to allow Bahrain to handle any potential shortages of gas and allow Bahrain to supplement domestic gas supplies with LNG. See “*Description of the Group—Subsidiaries, Associates and Joint Operations—Associates—Bahrain LNG—Bahrain LNG Import Terminal*”.

In order to address demand for domestic gasoline in Bahrain, the Company entered into a joint venture with Greenergy International Ltd (“**Greenergy**”), one of the largest blenders of gasoline in the United Kingdom, to set up a gasoline blending facility in Bahrain, which commenced trial operations in February 2017. The key objective of Bahrain Gasoline Blending W.L.L. (“**BGB**”) is to optimise the use of Bapco’s infrastructure and Sitra Refinery gasoline production with Greenergy’s blending, terminal operations and trading expertise to meet Bahrain’s domestic demand for gasoline and position Bahrain as a leading participant in the gasoline markets in the Middle East.

## Provision of Funds

The Group provides funds from oil and gas revenues towards the achievement of Vision 2030. The table below shows the dividends paid by the Group and the amount due from the Government that was set off against the Group's retained earnings in each of the years ended 31 December 2020, 2021 and 2022.

	In the year ended 31 December		
	2020	2021	2022
	BD'000		
Dividend declared and paid.....	—	—	112,800 <sup>(1)</sup>
Amount set off against retained earnings.....	—	—	—
Total distribution to the Government.....	—	—	—

### Note:

- (1) Dividend declared in 2022 related to the financial years ended 31 December 2021 and 31 December 2020. These declared dividends were used for in-kind settlement of a receivable balance from the shareholder; no cash was disbursed.

Given the medium to long-term nature of the projects currently under implementation by the Group and the need to fund its equity requirements in respect of these projects, the Company did not pay any dividends to the Government in 2020 and 2021. However, the Company's strong performance in 2022 enabled it to declare dividends for the financial years ended 2021 and 2020. See "*Risk Factors—Risks relating to the strategy of the Group—The Company has historically paid and is likely to continue to pay dividends to the Government in the future*".

Bapco also markets, on behalf (and for the benefit of) of the Government, Bahrain's share of the crude oil produced by the Abu Saa'fa oilfield (which is lifted by customers directly from Ras Tanura Port in Saudi Arabia). Bahrain's share in the Abu Saa'fa production amounted to around 148,769 bpd, 151,462 bpd and 149,997 bpd in 2020, 2021 and 2022, respectively, which comprised 100 per cent. of all Bahrain's crude oil exported internationally. Government revenue generated from Abu Saa'fa totalled just over U.S.\$5.5 billion in the year ended 31 December 2022.

## Diversification of Bahrain's Economy

Bahrain is committed to moving away from an economy that is built solely on oil wealth and appropriate diversification is part of Vision 2030. Whilst the Company is responsible for oil and gas investment, the projects that it is in the process of launching (and has launched over the past few years) highlight a diversification plan that moves away from its traditional growth and investment strategy that revolved around Bapco and the Sitra Refinery. Such plan is part of a broader diversification strategy being implemented by the Government.

Many of the Company's projects interact and overlap with one another and have been undertaken in order to ensure continued investment in Bahrain and economic diversification. For growth to occur outside of the oil industry, for example via the operations of Aluminium Bahrain B.S.C. ("**Alba**"), increased power and energy generation output is required. The Group is therefore focused on increasing natural gas output to these industrial customers in order to ensure that heavy industries within Bahrain are able to compete on an international scale, such as through Tatweer's continuing development of the Bahrain Field, including through the Bahrain Field Oil and Gas Development and Expansion Programme. Meanwhile the Bapco Modernisation Programme aims to increase production of refined products that may be off-taken by portfolio companies within the Group as a feedstock for petrochemical manufacturing, including Aromatics Petchem Company W.L.L. ("**Aromatics Petchem**"), which has plans to build an aromatics production complex to off-take the low-value naphtha from the Sitra Refinery for conversion into high-value petrochemical products, although this project is currently on hold due to the prioritisation of other strategic initiatives, including the Bapco Modernisation Programme, and subject to ongoing feasibility studies. See "*Description of the Group—Subsidiaries, Associates and Joint Operations—Joint Operations—Aromatics Petchem—Aromatics Complex*".

## Natural Gas Production and Distribution

Natural gas remains the primary source of energy for the Kingdom, providing a substantial amount of the fuel for electricity generation and seawater desalination. Please see "*Overview of Bahrain—Economy of Bahrain*".

Tatweer acts as the natural gas sales and distribution agent of the Kingdom with the responsibility for managing gas sales and operating the gas distribution system. In consideration for providing such services, Tatweer receives reimbursement for acting as the distribution agent. The costs incurred by Tatweer in operating the gas distribution network are recovered through the cash call mechanism with the Company, which is subsequently reimbursed by MOFNE, which receives all the proceeds of the gas sales.

### ***Knowledge and Technology Transfer and Skills Development***

The Company's strategic investment activities and the integration of its portfolio companies within the Group support the development of Bahrain's economy in a manner that advances the Government's objective of bringing the latest technology and expertise to Bahrain.

Examples of such activities include the Bapco Modernisation Programme, which is expected to be completed in 2024 and aims to ensure that Bahrain has a modern and competitive refinery at Sitra that is capable of competing with other larger refineries in the region. The Bapco Modernisation Programme involves the modernisation of the current Sitra Refinery units, ensuring that the latest international technology is being used by Bapco. Additionally, the Bahrain LNG project, which was commissioned in December 2019, aims to bring some of the most advanced technologies in the oil and gas industry to Bahrain in the form of regasification units.

A significant factor behind Vision 2030 is the need to ensure the Bahrainisation of the workforce in Bahrain. This involves the training of Bahraini nationals in order to reduce the dependence on a predominantly foreign workforce. Large, new projects such as those set out above, will ensure that there are opportunities available for such Bahrainisation to take place, offering attractive career opportunities to suitably skilled Bahrainis. The increased number of projects and employees working for each member of the Group ensure a greater level of knowledge and technology transfer and skills development.

### ***Implementation of other key strategic priorities***

In addition to the increase in oil and gas production and appropriate diversification, the Company and its portfolio companies are also involved in projects in order to meet other strategic objectives of the Government. For example, the reorganisation and restructuring of the fuel farm complex and hydrant facilities at Bahrain International Airport revolve around the Government's decision to bring airport-based infrastructure under indirect Government ownership, through the restructuring of all into-plane fuel services currently being provided at Bahrain International Airport by BAFCO. See "*Description of the Group—Subsidiaries, Associates and Joint Operations—Joint Operations—BJFCO—Refuelling Infrastructure Project*".

### ***State-to-State Relationships***

Due to the Company's position and relationship with the Government, the Company is able to benefit from unique and attractive strategic investment opportunities, which are also instrumental in building and solidifying state-to-state relationships. Examples of such investments include investments alongside Saudi Arabia and other GCC States, including Kuwait.

For example, the development and operation of the New AB4 Pipeline, which originates in Saudi Arabia and which was commissioned in October 2018, was a collaborative effort with Saudi Aramco in terms of construction, operation and maintenance. As a result of the increased capacity of the New AB4 Pipeline, the Sitra Refinery will be able to benefit from additional feedstock supply following the Bapco Modernisation Programme, which in turn is expected to have a knock-on effect on the rest of the Group and portfolio company supply chain by making more offtake available for downstream businesses, since there will be greater refinery feedstock.



## SELECTED FINANCIAL INFORMATION

The selected financial information set forth below has been extracted from the Financial Statements set out elsewhere in these Base Listing Particulars and should be read in conjunction with the “*Presentation of Financial and Other Information*”, the “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and the Financial Statements set out elsewhere in these Base Listing Particulars.

### Selected Consolidated Statement of Financial Position Data

	As at 31 December		
	2020	2021	2022
	BD’000		
<b>Non-current assets</b>			
Property, plant and equipment .....	1,104,923	1,136,431	1,098,478
Capital work-in-progress.....	1,352,519	1,791,914	2,206,810
Right-of-use assets .....	183,339	185,303	150,788
Investments in associates and joint venture .....	90,885	112,903	133,562
Long-term assets.....	25,923	25,294	21,589
Restricted cash and bank balances .....	126,624	127,246	127,667
Due from a related party.....	—	342,450 <sup>(1)</sup>	513,720
Derivative financial instruments .....	—	276	224,233
Trade, other receivables and other assets.....	12,228	11,919	14,075
	<b>2,896,441</b>	<b>3,733,736<sup>(1)</sup></b>	<b>4,490,922</b>
<b>Current assets</b>			
Inventories .....	185,651	254,922	292,924
Trade, other receivables and other assets.....	281,981	364,752 <sup>(1)</sup>	441,157
Due from a related party.....	421,083	249,259	74,536
Derivative financial instruments .....	631	5,207	3,046
Cash and bank balances.....	269,977	516,790	648,223
	<b>1,159,323</b>	<b>1,390,930<sup>(1)</sup></b>	<b>1,459,886</b>
<b>Total assets</b> .....	<b>4,055,764</b>	<b>5,124,666</b>	<b>5,950,808</b>
<b>Total equity</b> .....	<b>1,216,651</b>	<b>1,469,628</b>	<b>2,029,414</b>
<b>Total liabilities</b> .....	<b>2,839,113</b>	<b>3,655,038</b>	<b>3,921,394</b>

#### Notes:

- (1) The financial information as at and for the year ended 31 December 2021 has been extracted from the unaudited comparative column of the 2022 Financial Statements, following the reclassification of these balances as set out in Note 40 in the 2022 Financial Statements.

### Selected Consolidated Statement of Cash Flows Data

	For the year ended 31 December		
	2020	2021	2022
	BD’000		
Net cash flows from operating activities.....	256,739	432,325	702,692
Net cash flows used in investing activities .....	(636,967)	(552,480)	(468,047)
Net cash flows (used in)/generated from financing activities .....	167,496	394,630 <sup>(1)</sup>	(103,212)

#### Notes:

- (1) The financial information as at and for the year ended 31 December 2021 has been extracted from the unaudited comparative column of the 2022 Financial Statements, following the reclassification of these balances as set out in Note 40 in the 2022 Financial Statements.

### Consolidated Statement of Profit or Loss and Other Comprehensive Income Data

	For the year ended 31 December		
	2020	2021	2022
	BD’000		
Revenue .....	1,643,413	2,779,068 <sup>(1)</sup>	4,157,116
Cost of materials .....	(1,239,440)	(2,007,428)	(3,159,427)
Other income .....	136,791	8,843 <sup>(1)</sup>	51,361
Staff costs .....	(111,544)	(125,972)	(136,165)
Maintenance expenses.....	(102,431)	(102,275)	(105,220)
Impairment for doubtful trade and other receivables.....	(1,848)	(29,666)	(31,327)
Other expenses.....	(119,744)	(99,416)	(126,677)
Depreciation.....	(194,081)	(195,392)	(214,977)
<b>Operating profit</b> .....	<b>11,116</b>	<b>227,762</b>	<b>434,684</b>
Finance income.....	4,219	2,863	15,515
Finance costs.....	(62,625)	(79,123)	(91,105)
Finance costs - net .....	(58,406)	(76,260)	(75,590)

	For the year ended 31 December		
	2020	2021	2022
		<b>BD'000</b>	
Share of profit/(loss) from associates and joint venture – net	(57)	27,369	38,918
<b>Net (loss)/profit before income tax</b> .....	<b>(47,347)</b>	<b>178,871</b>	<b>398,012</b>
Income tax expense .....	(1,629)	(3,703)	(4,104)
<b>Net (loss)/profit for the year</b> .....	<b>(48,976)</b>	<b>175,168</b>	<b>393,908</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
(Loss)/gain on cash flow hedges .....	(77,238)	73,263	268,207
Share of (loss)/gain on cash flow hedge from an associate ...	(7,131)	4,814	11,084
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Actuarial (loss)/gains arising on defined benefit retirement scheme .....	(42)	328	328
Share of actuarial (loss)/gain from associates .....	(37)	(128)	146
<b>Total comprehensive (loss)/income for the year</b> .....	<b>(133,424)</b>	<b>253,445</b>	<b>673,673</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Shareholder of the parent .....	(133,902)	252,263	671,528
Non-controlling interests .....	478	1,182	2,145
<b>Total comprehensive (loss)/income for the year</b> .....	<b>(133,424)</b>	<b>253,445</b>	<b>673,673</b>

**Notes:**

- (1) The financial information as at and for the year ended 31 December 2021 has been extracted from the unaudited comparative column of the 2022 Financial Statements, following the reclassification of these balances as set out in Note 40 in the 2022 Financial Statements.

**EBITDA and EBITDA margin**

The following table sets forth the Group's EBITDA and EBITDA margin for the years ended 31 December 2020, 2021 and 2022:

	For the year ended 31 December		
	2020	2021	2022
EBITDA <sup>(1)</sup> (BD'000) .....	209,359	453,386	704,092
EBITDA margin <sup>(2)</sup> (per cent.) .....	12.7	17.5	16.9

**Notes:**

- (1) EBITDA is defined as profit / (loss) before income tax for the period plus depreciation (note that the Group also accounts for amortisation within the depreciation line item) plus finance costs. The following table sets forth a reconciliation of EBITDA from profit / (loss) before income tax for the years indicated.

	For the year ended 31 December		
	2020	2021	2022
		<b>BD'000</b>	
<b>Profit before income tax</b> .....	<b>(47,347)</b>	<b>178,871</b>	<b>398,012</b>
<b>Finance costs</b> .....	<b>62,625</b>	<b>79,123</b>	<b>91,105</b>
Depreciation .....	194,081	195,392	214,977
<b>EBITDA</b> .....	<b>209,359</b>	<b>453,386</b>	<b>704,094</b>

- (2) EBITDA margin is defined as EBITDA divided by revenue (expressed as a percentage).

**Net debt**

The following table sets forth the Group's net debt as at 31 December 2020, 2021 and 2022:

	For the year ended 31 December		
	2020	2021	2022
		<b>BD'000</b>	
Cash and liquid investments .....	(269,977)	(516,790)	(648,223)
Gross debt – fixed interest rates .....	1,981,446	826,579	848,250
Gross debt – variable interest rates .....	254,638	2,164,499	2,421,706
Derivative financial instruments – variable to fixed interest rates .....	118,793	48,827	73
<b>Net debt</b> .....	<b>2,084,900</b>	<b>2,523,115</b>	<b>2,621,806</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis should be read in conjunction with the information set out in "Presentation of Financial and Other Information", "Selected Financial Information" and the Financial Statements.*

*The financial information included in this section: (i) as at, and for the year ended, 31 December 2022, has been derived from the 2022 Financial Statements, (ii) as at, and for the year ended, 31 December 2021 has been derived from the 2021 Financial Statements, except for such 2021 financial information which was subsequently reclassified and hence is extracted or derived from the unaudited comparative column of the 2022 Financial Statements (see "Presentation of Financial and Other Information—Reclassification of certain 2021 financial information" for further detail), and (iii) as at, and for the year ended 31 December 2020, has been derived from the unaudited comparative information as at, and for the year ended, 31 December 2020, included in the 2021 Financial Statements.*

*The discussion of the Group's financial condition and results of operations is based on the financial information extracted from the Financial Statements. This discussion contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this document, particularly under the headings "Forward-Looking Statements" and "Risk Factors".*

*Whilst the Company presents its consolidated financial statements in Bahraini dinar, certain information included in the following discussion and analysis is presented in U.S. dollars using the fixed conversion rate of BD0.376 = U.S.\$1.00.*

### OVERVIEW

The Company is wholly-owned by the Government. The Company plays a fundamental role in the execution of the strategic plans of the Government and stewardship of the Government's long-term investment in oil, gas and petrochemical assets. The Company invests in various oil and gas companies that operate in Bahrain and in which the Government has a strategic interest, with a mandate to fulfil Bahrain's constantly growing demand for energy and provide necessary funds from oil and gas revenues towards the achievement of Vision 2030 by developing and operating facilities in connection with the oil and gas reserves owned by the Government. The Company's strategy is to be a long-term strategic investor and it held investments in 15 companies as at 31 December 2022, all of which are involved in the oil and gas supply chain in Bahrain.

For the year ended 31 December 2022, the Group's revenue was BD4,157.1 million (U.S.\$11,056.1 million) (compared to BD2,779.1 million (U.S.\$7,391.2 million) (derived from the unaudited comparative information included in the 2022 Financial Statements) for the year ended 31 December 2021 and BD1,643.4 million (U.S.\$4,370.7 million) for the year ended 31 December 2020, equating to a compound annual growth rate of 59 per cent. between 2020 and 2022) and its total comprehensive income for the year ended 31 December 2022 was BD673.7 million (U.S.\$1,791.7 million) (compared to total comprehensive income of BD253.4 million (U.S.\$673.9 million) for the year ended 31 December 2021 and total comprehensive loss of BD133.4 million (U.S.\$354.8 million) for the year ended 31 December 2020).

As of 31 December 2022, the Company's consolidated total assets were BD5,950.8 million (U.S.\$15,826.6 million) (compared to BD5,124.7 million (U.S.\$13,629.5 million) as at 31 December 2021 and BD4,055.8 million (U.S.\$10,786.7 million) as at 31 December 2020).

The Company's principal revenue generating activity is the sale of refined oil products produced by its wholly-owned subsidiary Bapco (see further "Description of the Group—Subsidiaries, Associates and Joint Operations—Subsidiaries—Bapco"). The Group's revenue from the sale of refined oil products accounted for 92.4 per cent., 86.8 per cent. and 91.3 per cent. of the Group's revenue in each of the years ended 31 December 2020, 2021 and 2022, respectively.

The Company also received material revenue from the sale of propane, butane and naphtha produced by Banagas and its wholly-owned subsidiary Tawseah (see further "Description of the Group—Subsidiaries, Associates and Joint Operations—Banagas and Tawseah"). The Group's revenue from the sale of these gas products accounted for 5.2 per cent., 18.4 per cent. and 15.2 per cent. of the Group's total revenue in each of the years ended 31 December 2020, 2021 and 2022, respectively. The sale of lubricant base oils is produced by Bahrain Lube Base Oil Company B.S.C. (c) ("**Bahrain Lube**"). Nesté Oil Bahrain W.L.L. ("**Nesté Bahrain**"), a wholly-owned

subsidiary of Nesté Corporation, previously had a stake in Bahrain Lube which it sold to the Company in March 2022. The Group's revenue from the sale of lube base oils accounted for 2.5 per cent., 2.6 per cent. and 3.3 per cent. of the Group's total revenue in each of the years ended 31 December 2020, 2021 and 2022, respectively.

The Company (through the operations of its portfolio companies) is currently involved in the development of a number of strategic projects in order to diversify, strengthen and expand its current operations and fulfil the mandate given to it by the Government.

The following table summarises the key projects of the Group, relevant portfolio companies, descriptions of the projects, estimated project costs, funding status and estimated completion dates.

<u>Project</u>	<u>Company</u>	<u>Description of the Project</u>	<u>Estimated Project Cost</u>	<u>Funding Status</u>	<u>Estimated Completion Date</u>
Bapco Modernisation Programme .....	Bapco	Refinery upgrade, including capacity increase from 267,000 bpd to 380,000 bpd	U.S.\$7.3 billion (of which U.S.\$5.1 billion had been utilised as of 31 December 2022)	Fully funded with a mixture of equity and debt, including U.S.\$4.1 billion through the BMP Project Financing	2024
Bahrain Field Oil and Gas Development and Expansion Programme.....	Tatweer	Development, expansion and enhancement of onshore oil and gas production facilities	U.S.\$4.2 billion between 2021 and 2026 (comprising U.S.\$2.5 billion allocated to the gas development component and U.S.\$1.7 billion allocated to the oil development component), of which U.S.\$1.2 billion has been funded to date.	Currently funded through existing internal funds, with the potential for other sources of finance to be considered	2026
Aromatics Complex .....	Aromatics Petchem	Construction of an aromatics complex	U.S.\$2.4 billion Project has not started	No funding arrangements are currently in place	No fixed completion date

Tatweer has made significant advancements in the appraisal of its tight gas reserves in the pre-Unayzah formations within the Bahrain Field. Peripheral Khuff wells have been deepened in order to obtain important geological and reservoir data confirming the extension of gas reserves beyond previously penetrated limits. Two dedicated pre-Unayzah wells have now been drilled, completed and are connected to the gas production networks. In addition, Tatweer drilled three additional wells in 2022 to appraise and develop gas reserves in the Jubah and Jauf reservoirs. The appraisal campaign has been expanded to include drilling, testing and potentially producing seven additional wells in 2023 and 2024.

In addition to the above, in May 2019, NOGA signed an exploration and production-sharing agreement with ENI for Block-1 exploration, following the completion of a joint study agreement in 2016. The Company later assumed all commercial management activities previously undertaken by NOGA in connection therewith. During the first exploration phase, ENI conducted detailed geological and geophysical evaluations and drilled one exploratory well towards the north of the block. Following the completion of the first phase, ENI decided not to proceed towards a second exploration phase.

The Group's capital and investment expenditures include, in addition to the projects set out above, investments in subsidiaries, jointly controlled entities, joint operations, associates and other investments, acquisitions of property, plant and equipment and in intangible and other assets. The Group anticipates that it will continue to incur capital and investment expenditures in future years. As at 31 December 2022, the Company's committed capital and investment expenditure was U.S.\$11.2 billion. See "*Capital and investment commitments*".

The Company has been assigned a rating of B+ with a stable outlook by Fitch Ratings. This is the same rating given to the Bahrain sovereign by Fitch Ratings and reflects the Group's strong strategic relationship with the Government.

## PRINCIPAL COMPONENTS OF, AND KEY FACTORS AFFECTING, RESULTS OF OPERATIONS

The following is a discussion of the principal factors that have affected, or are expected to affect, the Company's results of operations.

### *Changes in gross refining margins*

The Group, through Bapco, derives revenue principally from the sale of refined petroleum products. The Group's revenue from the sale of refined petroleum products accounted for 92.4 per cent., 86.8 per cent. and 91.3 per cent. of the Group's total revenue in each of the years ended 31 December 2020, 2021 and 2022, respectively.

The Group's results of operations are, therefore, dependent on Bapco's gross refining margins, the difference between the current market price of the refined petroleum products produced in the relevant period and the price of the crude oil and other feedstock purchased in order to produce such products. Bapco calculates its net refining margin by subtracting operating expenses from its gross refining margin.

Bapco's refining margins are influenced by factors such as variations in demand for refined products and changes in refinery capacities, as well as market conditions. Bapco's performance is, therefore, closely linked to macro-economic conditions and their impact on demand, which in turn can affect refining margins. See "*Risk Factors—Risks relating to Bapco—Oil price fluctuations and a substantial or extended decline in refining margins would negatively impact the Group's financial results*".

The following table sets forth Bapco's gross refining margin and net refining margin for each of the periods under review.

(U.S.\$/Barrel)	Year ended 31 December		
	2020	2021	2022
Bapco gross refining margin <sup>(1)</sup> .....	1.89	2.81	9.55
Bapco net refining margin <sup>(2)</sup> .....	(3.93)	(2.69)	3.27

Source: Bapco

#### Note:

- (1) Gross refining margin is calculated by subtracting cost of feedstock from value of production. For these purposes: (a) cost of feedstock comprises (i) the cost of crude oil processed in the refinery, valued at realised international prices, (ii) the cost of Khuff gas purchased and used as feedstock for the hydrogen units, and (iii) the cost of other applicable feedstock purchases (including imports), and (iv) lease costs with respect to the New AB4 Pipeline; and (b) value of production is calculated as the value of the refinery's production during the period, at realised sales prices (FOB) for the same period.
- (2) Net refining margin is calculated by subtracting cost of materials, variable costs and operating expenses (including direct, indirect and overhead costs) during the period from gross refining margin for the same period.

**2020:** The decrease in the value of production, and the reduction in production volume arising as a result of prevailing market conditions, in the year ended 31 December 2020 as compared to the year ended 31 December 2019, resulted in Bapco's gross refining margin decreasing from U.S.\$4.22 per barrel for the year ended 31 December 2019 to U.S.\$1.89 per barrel for the year ended 31 December 2020. Further, increases in variable costs, as well as a drop in production value and the impact of prevailing market conditions, resulted in Bapco's net refining margin decreasing from negative U.S.\$1.72 per barrel for the year ended 31 December 2019 to negative U.S.\$3.93 per barrel for the year ended 31 December 2020.

**2021:** The increase in the value of production, and the increase in production volume arising as a result of prevailing market conditions, in the year ended 31 December 2021 as compared to the year ended 31 December 2020, resulted in Bapco's gross refining margin increasing from U.S.\$1.89 per barrel for the year ended 31 December 2020 to U.S.\$2.81 per barrel for the year ended 31 December 2021. Despite increases in variable costs, factors such as the impact of prevailing market conditions resulted in Bapco's net refining margin increasing from negative U.S.\$3.93 per barrel for the year ended 31 December 2020 to negative U.S.\$2.69 per barrel for the year ended 31 December 2021.

**2022:** The increase in the value of production, and the increase in production volume arising as a result of prevailing market conditions, in the year ended 31 December 2022 as compared to the year ended 31 December 2021, resulted in Bapco's gross refining margin increasing from U.S.\$2.81 per barrel for the year ended 31 December 2021 to U.S.\$9.55 per barrel for the year ended 31 December 2022. Despite increases in variable costs, factors such as the increased value of production resulted in Bapco's net refining margin increasing from negative

U.S.\$2.69 per barrel for the year ended 31 December 2021 to U.S.\$3.27 per barrel for the year ended 31 December 2022.

## Oil Price Volatility

World oil prices have been and are expected to continue to be volatile. International oil prices had witnessed a significant decline between mid-2018 and early 2020, with the OPEC Reference Basket (a weighted average of prices per barrel for petroleum blends produced by the OPEC countries) price declining from a monthly average of U.S.\$79.39 in October 2018 to as low as U.S.\$17.66 in April 2020 with the decrease in demand due to the COVID-19 pandemic. Since the end of 2020, there has been a significant increase in oil prices, with the OPEC Reference Basket price increasing to as much as U.S.\$117.72 for June 2022, before stabilising at around U.S.\$71-88 in the first four months of 2023. The price per barrel of Arabian Light Crude Oil (which is produced by Saudi Arabia and constitutes part of the OPEC Reference Basket) has also moved in line with these trends.

The recent increases in global oil prices can be attributed to a number of factors, including, but not limited to, the Russian invasion of Ukraine. In general, international prices for crude oil are also affected by the economic and political developments in oil producing regions, particularly the Middle East; prices and availability of new technologies; global climate and other relevant conditions.

The price of oil impacts on the Group's cost of materials. The Group utilises Arabian crude oil, provided through the New AB4 Pipeline, which has a normal operating capacity of 350,000 bpd and a maximum capacity of 400,000 bpd (which may be utilised subject to a number of external factors, such as technical availability and feedstock profile), and Bahrain crude oil, provided by Tatweer from Bahrain Field, as feedstock for the Sitra Refinery. In the year ended 31 December 2022, the Group processed 211,649 bpd of Arabian crude oil and 39,686 bpd of Bahrain crude oil at the Sitra Refinery.

The Arabian crude oil is supplied by Saudi Aramco at market prices, while Tatweer provides a minimum of 38,700 barrels per day of Bahrain crude at a subsidised price of U.S.\$1 per barrel, plus agreed production costs (see "*Government Support*" below). In each of the years ended 31 December 2020, 2021 and 2022, Bapco received 38,700 bpd of subsidised crude oil from the Bahrain Field and provided an additional 4,613 bpd, 3,899 bpd and 836 bpd, respectively, of crude oil from the Bahrain Field at market price in these years.

The table below shows the market price paid by Bapco for the crude oil received from Saudi Arabia and the crude oil received from the Bahrain Field in excess of the subsidised crude oil received in accordance with the COSA for each of the years ended 31 December 2020, 2021 and 2022.

	2020		2021		2022	
	Total Volume (bpd)	Average Price (U.S.\$)	Total Volume (bpd)	Average Price (U.S.\$)	Total Volume (bpd)	Average Price (U.S.\$)
Non-subsidised crude oil received from Bahrain Field					836	101.095
.....	4,613	41.593	3,899	70.351		
Crude oil received from Saudi Arabia.....	176,465	42.988	180,425	70.957	212,993	102.460

## Government Support

The Group has historically benefitted from significant Government support in the form of subsidised Bahrain crude oil from the Bahrain Field. Since 2018, the Government has been providing Bapco with a minimum of 38,700 barrels per day of Bahrain crude oil at a subsidised price of U.S.\$1 per barrel pursuant to the 2018 COSA, although since 10 November 2009, Bapco has also been paying agreed production costs in respect of this subsidised Bahrain crude oil, pursuant to the COSPA.

In each of the years ended 31 December 2020, 2021 and 2022, Bapco received 38,700 bpd of subsidised crude oil pursuant to the 2018 COSA.

Bapco paid production costs in respect of this subsidised crude oil of U.S.\$11.557, U.S.\$11.846 and U.S.\$12.142 per barrel in the years ended 31 December 2020, 2021 and 2022, respectively, in accordance with the COSPA, resulting in Bapco receiving the subsidised crude oil at a cost of U.S.\$12.557 per barrel, U.S.\$12.846 per barrel and U.S.\$13.412 per barrel, respectively, in these periods.

This cost represented an average subsidy of U.S.\$29.036 per barrel, U.S.\$57.505 per barrel and U.S.\$87.996 per barrel in the years ended 31 December 2020, 2021 and 2022, respectively.

In the event that Bahrain crude oil had been invoiced at market prices, the net profit of the Group for the year ended 31 December 2020, 2021 and 2022 would have been lower by BD157 million (U.S.\$418 million), BD306 (U.S.\$813 million) and BD467 million (U.S.\$1,243 million), respectively. The table below shows the impact of the subsidised Bahrain crude oil on the Group.

	Year ended 31 December		
	2020	2021	2022
Subsidised crude oil received from Bahrain Field (bpd) .....	38,700	38,700	38,700
Non-subsidised crude oil received from Bahrain Field (bpd).....	4,613	3,899	836
<b>Crude oil received from Bahrain Field (bpd).....</b>	<b>43,313</b>	<b>42,599</b>	<b>39,536</b>
Crude oil from Bahrain Field processed (bpd).....	43,229	43,241	39,686
Subsidised price (U.S.\$).....	12.557	12.846	13.142
Average market price (U.S.\$).....	41.593	70.351	101.138
Subsidy per barrel (U.S.\$).....	29.036	57.505	87.996

Following discussions between the Company, Bapco and the Government, on 19 September 2017, the High Committee for Natural Resources and Economic Security, which is appointed by the Cabinet and whose members include the Minister of Finance and National Economy, approved the amendment and extension of the 2005 COSA, which was originally due to expire on 7 February 2019, for a further term of 25 years. This extension has been reflected in the 2018 COSA, which was executed on 22 October 2018. The 2018 COSA contains substantially the same terms as the previous 2005 COSA, save that the 2018 COSA requires the Company to assume Bapco's obligations as buyer therein upon completion of certain requirements (which include, among other things, completion of the Bapco Modernisation Programme), following which Bapco will cease to be a party to the 2018 COSA. Upon Bapco ceasing to be a party to the 2018 COSA, the benefit of the subsidised oil supplied pursuant to the 2018 COSA will be directly received by the Company as buyer. Given the importance of this Government support to the Group's business, any change in the level of Government support provided could result in a material adverse effect on the Group's business, results of operations and financial condition. See "*Risk Factors—Risks relating to Bapco—The Company's profitability has been significantly supported by the supply of subsidised crude oil to Bapco*" and "*Risk Factors—Risks relating to the strategy of the Group—The Group may experience difficulties in funding its significant planned capital expenditure programme*".

In addition to the above, the Company is also entitled to receive a management fee from the Government in an amount equal to 10 per cent. of Tatweer's capital and operating expenditure costs with respect to the Bahrain Field Oil and Gas Development and Expansion Programme, in addition to the financing arrangements with MOFNE with respect to all project costs incurred by Tatweer (see "*Description of the Group—Subsidiaries—Tatweer*").

### Regulated prices for its domestic products

The domestic sale of refined petroleum products, which represents the sale of diesel, kerosene, gasoline, LPG and asphalt by Bapco to domestic customers in Bahrain. The Group's revenue from domestic sale of refined petroleum products accounted for 13.7 per cent., 7.8 per cent. and 6.8 per cent. of the Group's total revenue in the years ended 31 December 2020, 2021 and 2022, respectively. The decreasing contribution as a percentage of total revenue was as a result of an increase in the volume of products sold internationally.

The price in respect of gasoline, which is sold domestically, is determined by the Gasoline Price Review Committee, while the price in respect of diesel and kerosene, which is sold domestically, is determined by the Petroleum Price Review Committee. Each of the Gasoline Price Review Committee and Petroleum Price Review Committee is composed of representatives from the Ministry of Oil and Environment and Bapco. Asphalt is sold domestically at market prices, while LPG is sold domestically at a subsidised price. In the event that Bapco were to sell gasoline, diesel and kerosene at average prices used by Bapco for its international sales, the net profit of the Company for the year would have been higher by BD35 million (U.S.\$93 million), BD85 million (U.S.\$226 million) and BD250 million (U.S.\$665 million) in the years ended 31 December 2020, 2021 and 2022, respectively.

Prior to January 2016, the price of gasoline in Bahrain had remained unchanged for the previous 33 years. However, in January 2016, in line with actions being taken by other GCC governments to reform energy subsidies, the Government increased the price of gasoline by more than 50 per cent., increasing the price of 95 Octane (Mumtaz) gasoline from 100 fils per litre to 160 fils per litre and increasing the price of 91 Octane (Jayyid) gasoline from 80 to 125 fils per litre. In July 2016, the Government set the price for Super 98 gasoline at 235 fils per litre. In January 2018, the government set the price of 91 Octane (Jayyid) gasoline at 140 fils per litre, up from 125 fils per litre, while 95 Octane (Mumtaz) gasoline was set at 200 fils per litre, up from 160 fils per litre.

In January 2016, the Government also increased the price of diesel from 100 fils per litre to 120 fils per litre and increased the price of kerosene from 100 fils per litre to 120 fils per litre. In January 2017, the Government increased the price of both diesel and kerosene to 140 fils per litre. Prices for diesel and kerosene were further increased from 1 January 2019 and 1 January 2018, respectively, to 180 fils per litre and 160 fils per litre.

These increases were implemented as part of the economic and fiscal reforms, intended to strengthen the country's long-term development. Revenue from the domestic sale of oil increased by BD26.0 million (U.S.\$69.3 million), or 11.0 per cent., in 2022 and increased by BD13.6 million (U.S.\$36.2 million), or 6.1 per cent. in 2021, increasing from BD223.2 million (U.S.\$593.6 million) in 2020, BD236.8 million (U.S.\$629.8 million) in 2021 and BD262.9 million (U.S.\$699.2 million) in 2022.

Bapco was also previously required to sell diesel to fisheries in Bahrain at subsidised rates specified and regulated by the Government, previously at a price of 180 fils per litre. This subsidy was removed in 2021.

## Levels of Production

The Group's revenues are directly affected by the Group's levels of production of gas, liquids and condensates, which are in turn dependent on the continued operational performance of the Sitra Refinery and the Group's other production facilities.

The Group's producing assets are subject to a number of operational issues, including: reduced availability of those assets due to planned activities such as maintenance or shutdowns; unplanned outages which may, for example, be due to equipment or human failure; asset integrity and health, safety, security and environment incidents; adverse reserves recovery; the performance of joint venture partners; the performance of the Group's contractors; and exposure to natural hazards, such as extreme weather events, cyberattacks or acts of terrorism or political violence. For example, an incident took place in November 2017 affecting the AB3 pipeline, while an incident in September 2019 concerning Saudi Aramco's Abqaiq and Khurais facilities resulted in the temporary suspension of processing by Saudi Aramco at these facilities. In addition, in early May 2020, Bahrain LNG was targeted in a phishing incident, which is currently under investigation by the relevant authorities in Bahrain. Furthermore, the Company suffered a ransomware attack on 28 August 2021, causing a portion of its infrastructure to be temporarily inaccessible and interrupting operations for a period of three days; this was resolved with additional security measures placed to avoid a recurrence. In addition, in December 2022, one of BAFCO's third-party service providers, Axpert Agile, was affected by a ransomware attack, which led to the deletion of certain files on BAFCO's servers, which were later recovered. Furthermore, in October 2020, a leak was discovered in the Sitra to Arad pipeline operated by BAFCO, which resulted in a spill of approximately 3,000 litres of Jet A1 fuel, requiring BAFCO to clamp and repair defects identified in the pipeline, shutting down the pipeline for 38 days. There was no impact to Jet A-1 supply during this pipeline shutdown.

Bapco generally undertakes major turnaround and inspection ("T&I") of its process units on a six-year maintenance cycle. To minimise disruption during such maintenance, the operating units at the Sitra Refinery are divided into three separate hubs, on the basis of interrelated feedstock and products. One hub, which includes the HVGO hydrocracker, the lube base oil plant, a sulphur recovery unit, a hydrogen plant, a vacuum distillation unit and a crude oil distillation unit ("**Hub 1**"), was shut down for T&I in 2016 and 2022, while the second hub, which includes a hydrotreater diesel unit, a hydrogen plant, a sulphur recovery unit, a vacuum distillation unit and a crude oil distillation unit ("**Hub 2**"), was shut-down for T&I in 2020. The third hub, which includes the fluid catalytic cracking unit, gas concentration unit, poly plant, LPG and a crude oil distillation unit ("**FCCU Complex**"), was shut down for T&I in 2021. The next T&I of the FCCU Complex is currently not scheduled, as FCCU Complex and a number of other existing units will be decommissioned following the commissioning of the units under the Bapco Modernisation Programme. The next Hub 1 and Hub 2 T&Is, for the Bapco Modernisation Programme units and the existing units that will continue to operate after the Bapco Modernisation Programme units' commissioning, are expected in 2026 and 2027. In addition to the foregoing, Bapco periodically undertakes T&I of individual operating units that are not part of either Hub 1 or Hub 2, and catalyst change out shutdowns for hydrocracker, hydrotreater and hydrogen plants. For instance, in 2022, Bapco performed scheduled shutdowns on its visbreaker unit, kero re-run unit, platformer/unifiner and a desalinisation plant.

The following table sets out the production volumes for the years ended 31 December 2020, 2021 and 2022 by type of product for each of Bapco, Gulf Petrochemical Industries Co. B.S.C. (c) ("**GPIC**"), Banagas and Tawseh.

	Year ended 31 December		
	2020	2021	2022
Bapco		Barrels	
LPG.....	815,426	805,258	867,658



	Year ended 31 December		
	2020	2021	2022
Propane .....	251,184	175,751	244,815
Butane .....	376,183	296,664	342,444
Naphtha .....	13,648,768	14,293,826	14,336,055
Gasoline .....	4,560,931	4,012,454	5,970,277
Kerosene .....	18,073,290	15,009,740	18,012,390
Diesel .....	28,534,441	32,097,821	32,709,414
Fuel Oil .....	12,893,168	14,891,953	18,342,150
Lube Base Oil .....	2,402,530	2,916,812	2,365,257
Asphalt .....	2,088,499	1,152,053	856,189
Sulphur .....	437,566	453,868	449,593
<b>Total .....</b>	<b>84,081,986</b>	<b>86,106,199</b>	<b>94,496,243</b>
<b>GPIC</b>		<i>Metric tonnes</i>	
Ammonia .....	463,875	459,788	420,896
Methanol .....	450,097	445,757	419,347
Urea .....	718,793	706,544	670,380
<b>Banagas and Tawseah</b>		<i>Metric tonnes</i>	
Propane .....	148,579	109,386	119,013
Butane .....	151,309	123,254	128,324
Naphtha .....	333,976	288,924	307,644

## Relationship with the Government

The Company is wholly-owned by the Government and the Government has the power to appoint the majority of the Company's board of directors. The Government owns the underlying oil and gas reserves that are being managed and developed by the Group, and the Government is also the Group's regulator.

The Government therefore exercises significant influence over the commercial affairs of the Company. Most of the Company's current portfolio consists of state-owned enterprises of strategic and national importance. Thus, the outcome from any decision-making processes relating to the Company's investments may not always be strictly commercial. The Government has in the past provided, and may continue in the future to provide, support to the Group, including through the provision of subsidised crude oil, and the Group is reliant on the continuation of such support. See "*—Government Support*" above for further details regarding the Group's relationship with the Government. However, there is no guarantee that this support will continue. See "*Risk Factors—Risks relating to Bapco—The Company's profitability has been significantly supported by the supply of subsidised crude oil to Bapco*".

## Historic cash management arrangements for the sale of refined petroleum products

Prior to May 2019, Bapco was subject to a cash call arrangement with the Government, whereby Bapco made substantial distributions of proceeds from sales directly to the Government without declaring distributions to the Company. As part of this arrangement, Bapco previously received revenues from the international and domestic sale of refined oil products into accounts managed directly by the Government and not by Bapco or the Company (the "**Oil Revenue Accounts**"), resulting in such revenues not being recorded as part of Bapco's (or the Company's) cash and bank balances, but instead recorded as an amount due from the Government. The Government made certain payments on behalf of Bapco, including payment for the costs of the Arabian crude oil purchased from Saudi Aramco that is refined by Bapco, which were set-off against amounts due from the Government. The difference between the amounts received into the Oil Revenue Accounts and amounts paid by the Government on behalf of Bapco may have previously resulted in a net cash movement in amount due from the Government. Following cessation of the cash call mechanism as part of the Bapco Modernisation Programme and its related financing arrangements, on 28 February 2019, Bapco established its own treasury and cash management functions, including the maintenance of its own bank accounts, and became independent from the Government for the purpose of the funding of its operations, investing and financing activities. No amount was set off from the amount due from the Government against retained earnings in the years ended 31 December 2020, 2021 and 2022.

On 24 February 2019, the Company agreed a framework arrangement with the Government for cash receipts which provides a payment mechanism for the purchase of crude oil from the Government, distribution of gas to end-users and the management of the Company's gas distribution network, as well as the carrying out of oil and gas exploration activities on behalf of the Government.

## Significant capital expenditure programmes

The Group is currently undertaking significant capital expenditure programmes, including the Bapco Modernisation Programme, Tatweer's Bahrain Field Oil and Gas Development and Expansion Programme and further development of the Bahrain Field and BJFCO's refuelling infrastructure project. In order to fund this capital expenditure, the Group expects to use cash flows from operations (to directly fund such capital expenditure or to repay existing borrowings) and to increase its borrowings significantly in future years. The increased capital expenditure is expected to result in a material increase in the Group's property, plant and equipment and, as a result, the Group's depreciation charge in future years is likely to continue to increase. Moreover, the funding of the capital expenditure programme may also require the Group to reduce distributions to the Government below higher recent amounts, which will be subject to the Government's agreement. See "*Risk Factors—Risks relating to the strategy of the Group—The Company has historically paid and is likely to continue to pay dividends to the Government in the future*". Furthermore, increased indebtedness undertaken in connection with the capital expenditure programme is expected to increase the Group's finance costs, which could be exacerbated by further increases in market interest rates. See "*Risk Factors—Risks relating to the strategy of the Group—The Group may experience difficulties in funding its significant planned capital expenditure programme*".

## Acquisitions and Disposals

Consistent with its mandate from the Government and as part of its strategy, the Company has engaged in significant strategic investment activities during the periods under review. As a result, year-on-year comparisons of the Company's financial statements may be difficult and may not be representative of the Company's underlying financial performance. Key acquisitions and disposals made by the Company are reflected in the Company's financial statements from their date of completion. For discontinued operations, comparative information is reclassified for the immediately preceding period.

On 22 March 2022, the Company acquired shares in Bahrain Lube that had previously been owned by Nesté Bahrain. The Company's ownership interest in Bahrain Lube subsequently increased to 72.5 per cent. Bapco owns the remaining 27.5 per cent. of Bahrain Lube.

## CERTAIN SIGNIFICANT ACCOUNTING POLICIES

For a discussion of the significant accounting policies applied by the Group generally, see Note 2 to the 2021 Financial Statements and Note 2 to the 2022 Financial Statements.

## CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND UNCERTAINTIES

The preparation of the Group's consolidated financial statements requires management to make certain estimates and judgements, the most significant of which are described below.

### Significant judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

- *Going concern:* The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue the business for the foreseeable future. Furthermore, the management is not aware of any material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on a going concern basis.
- *Determining the lease term of contracts with renewal and termination options: the Group as lessee:* The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there

is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

- *Joint arrangements:* Judgement is required to determine when the Group has joint control over an arrangement, which requires an assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. The Group has determined that the relevant activities for its joint arrangements are those relating to the operating and capital decisions of the arrangement, including the approval of the annual capital and operating expenditure work programme and budget for the joint arrangement, and the approval of chosen service providers for any major capital expenditure as required by the joint operating agreements applicable to the entity's joint arrangements. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Judgement is also required to classify a joint arrangement. Classifying the arrangement requires the Group to assess their rights and obligations arising from the arrangement. Specifically, the Group considers: (i) the structure of the joint arrangement—whether it is structured through a separate vehicle; (ii) when the arrangement is structured through a separate vehicle, the Group also considers the rights and obligations arising from: (a) the legal form of the separate vehicle; or (b) the terms of the contractual arrangement; and (iii) other facts and circumstances, considered on a case by case basis.

This assessment often requires significant judgement. A different conclusion about both joint control and whether the arrangement is a joint operation or a joint venture, may materially impact the accounting.

- *Principal vs agent considerations:* The Group is party to a number of complex agreements with its shareholder and with the Government in relation to its portfolio of oil and gas activities. Under these contracts, the Group undertakes, among other activities, exploration, appraisal, production, development and delivery of petroleum and operation and maintenance of the gas distribution network on its own behalf or on behalf of the Government.

Where the Group is acting as a principal, it is able to recognise revenue based on the gross amount received or receivable in respect of its performance under a sales contract. When the Group is acting as an agent, it does not recognise revenue for any amounts received from a customer to be paid to the principal. The Group considers its overall risk profile in determining whether it has a service agreement or a working interest with respect to each of its respective functions.

Since the determination of whether the Group is acting as a principal or agent is critical to the accounting for the various transactions involved in a given activity, the Company's directors and management therefore carefully assess the substance of all transactions that meet the above mentioned criteria to determine in which capacity the Group is acting. In making these assessments, the Company's directors and management consider the following key criteria:

- if the Group is primarily responsible for delivering goods or services;
- if the Group does or does not have inventory risk; and
- if the Group does or does not have latitude or discretion in establishing prices.

In addition, the Group takes into account the constructive rights and obligations established by the existing contracts and past precedents created, by mutual agreement between the parties. In particular, the Group seeks to determine whether it is responsible for the petroleum operations or is acting as an agent for the provision of petroleum services with respect to each of the functions. A further detailed assessment for each of the key respective functions is outlined below:

#### *Oil producing activities*

The Group considers itself to be the principal with respect to oil and gas production. The Group entered into the 2005 COSA with the Government for supply of Bahrain crude oil with effect from 1 January 2005. Under the 2005 COSA, the Government is contracted to supply Bahrain crude oil at a fixed price of U.S.\$1 per barrel for a fixed quantity of 900,000 barrels per month as compared to the prevailing market prices. On, and effective from, 22 October 2018, the Group entered into the 2018 COSA.

In accordance with the COSA, the Group continued to receive a minimum monthly quantity of 900,000 barrels up to 21 October 2018 under the 2005 COSA and, from 22 October 2018 onward, the Group started receiving a minimum monthly quantity of 38,700 barrels per day at a rate of U.S.\$1 per barrel (the “**Baseline Crude Quantity**”). Bapco also entered into the COSPA with NOGA, the Company and Tatweer effective from 1 January 2018, under which Bapco pays a production cost contribution of U.S.\$11 per barrel to the Company on the Baseline Crude Quantity, which is indexed by 2.5 per cent. on 1 January in each year. Any additional quantity is supplied to Bapco at the prevailing market price. However, the market value of these additional quantities is not paid to the Government; instead it is received by the Company from Bapco and used against its own oil production costs. Under the current arrangement, the Group remits cash to the Government which is recorded as a receivable in its consolidated statement of financial position. The remittance made on a monthly basis is calculated as the aggregate of:

- the sum of (A) production cost contribution relating to Baseline Crude Quantity and (B) fair market value relating to the quantity in excess of Baseline Crude Quantity; less (C) actual oil production costs incurred by Tatweer. A resulting shortfall, if any, is recoverable by the Government and recorded as a payable to the Government; and
- the (A) fair market value of the total production of crude oil; less the sum of (B) payments made to the Government under the COSA (at U.S.\$1 per barrel of oil for Baseline Crude Quantity); (C) production cost contribution relating to Baseline Crude Quantity; (D) fair market value relating to excess quantity (over Baseline Crude Quantity); and (E) any subsidies provided by Bapco for local sales.

Given that the Group is acting as a principal in relation to the oil producing activities and bears the risk and economic benefits of the Bahrain Field, a constructive obligation is created whereby the Group retains the substantive right to the remitted cash, and therefore shows this as a receivable balance due from the Government.

The Group is also responsible for the production of non-associated gas. In line with the underlying agreements, the Group is able to utilise the produced gas on a first priority basis, free of cost for its petroleum activities. The Company’s directors and management have assessed that the Group is responsible for the production and has control over the non-associated gas as determined by the respective agreements. The recognition of revenue relating to non-associated gas also involves estimates in relation to values attributable to performance obligations in accordance with various agreements between the Group and the Government.

The Group accordingly recognised oil and gas producing assets, as it has determined that it is a principal with respect to oil and gas producing activities, has the ability to direct the use of the assets, and has the rights to the resulting economic benefits of such activities.

#### *Gas distribution services*

The Group has determined that it does not control the goods relating to gas beyond the respective delivery points specified in the respective agreement and it does not have the ability to direct the use of or obtain benefits from the assets used in gas distribution services. Therefore, the Group has determined that it is an agent for this function based on the following factors:

- The Group is not primarily responsible for fulfilling the promise to provide the specified gas.
- The Group does not have inventory risk before or after the specified gas has been transferred to the customer as it merely supplies the gas in accordance with the end-user agreements which are approved by the Government.
- The Group has no discretion in establishing the price for gas. The Group’s consideration in these contracts is only based on an agreed percentage of mark-up on costs incurred by the Group for provision of services to the Government.

### *Petroleum exploration activities*

In relation to petroleum exploration operations, the Group has determined that it is providing a service to the Government in accordance with its existing contracts. The assessment has incorporated factors around the risks and rewards from the exploration activities, which the Group has determined lie with the Government. The Group has concluded that it transfers control over its services over time as the services are provided and therefore considers itself as acting as an agent for this function.

### **Significant estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the consolidated statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Impairment of property, plant and equipment:* The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when the annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the assets. The Company does not believe that there is any impairment of property, plant and equipment as at 31 December 2022.

For oil and natural gas producing assets, expected future cash flows are estimated using management's best estimate of future oil and gas prices and production and reserves volumes. The estimated future level of production in all impairment tests is based on assumptions about future commodity prices, production and development costs, field decline rates, and other factors. Reserves assumptions for value-in-use tests are restricted to proven reserves which can be extracted with a minimum level of future capital expenditure. The Group acquires services of both internal and external technical expert / consultants for the purposes of assessing proven reserves who carry out their assessment based on internationally accepted guidelines and best industry practices.

- *Estimation of oil and gas reserves:* Significant technical and commercial judgements are required to determine the Group's estimated oil and gas proved reserves. Reserves estimates are reviewed and updated on annual basis. Factors such as the availability of geological and engineering data, reservoir performance data, drilling of new wells, and oil prices all impact on the determination of the Group's estimates of its oil and gas proved reserves. The Group bases its proved reserves estimates on the requirement of reasonable certainty with rigorous technical and commercial assessments based on conventional industry practice and internationally accepted guidelines.

Estimates of oil and gas proved reserves determined by applying internationally accepted guidelines and best industry practices are used to calculate depreciation and amortisation charges for the Group's oil and gas producing assets. The impact of changes in estimated proved reserves is dealt with prospectively by depreciating or amortising the remaining carrying value of the asset over the expected future production. Oil and gas reserves estimates also have a direct impact on the assessment of the recoverability of asset carrying values reported in the consolidated financial statements. If proved reserves estimates determined by applying management's assumptions are revised downwards, earnings could be affected by changes in depreciation and amortisation expense or an immediate write-down of the oil and gas producing asset's carrying value.

Information on the carrying amounts of the Group's oil and gas producing assets, together with the amounts recognised in the consolidated statement of profit or loss and other comprehensive income statement as depreciation and amortisation is contained in Note 5 of the 2022 Financial Statements.

- *Useful lives of property, plant and equipment:* The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. The estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value

and useful lives annually and the future depreciation charges would be adjusted where management believes the useful life differs from previous estimates.

- *Impairment of inventories:* Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices. As at 31 December 2022, gross inventories were BD309.7 million (U.S.\$821.5 million), against which provisions for old and obsolete inventories were made amounting BD16.7 million (U.S.\$44.3 million).
- *Provision for ECL of trade and other receivables:* The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by customer types).

The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. inflation rate) are expected to deteriorate over the next year which can lead to an increased number of defaults in the consumer sector, the historical default rates are adjusted. At every reporting date, the historical default rates are updated and changes to the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in future. As at 31 December 2022, gross trade receivables were BD371.9 million (U.S.\$989.1 million) against which provisions for ECL made amounted to BD37.1 million (U.S.\$98.7 million). A substantial portion of the Company's sales are to international customers and the majority of the associated receivables are secured by letters of credit issued by reputable financial institutions. The loss rate for all receivables ranges from 0.08 per cent. to 100 per cent., depending on the age and type of counterparty of receivable. The ECL on trade and other receivables amounted to BD31.7 million (U.S.\$84.3 million) in 2022, and the remaining amount was derived from ECLs due from related parties, which amounted to BD58.4 million (U.S.\$155.3 million).

- *Fair value of financial instruments:* Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.
- *Employees' defined benefit retirement scheme:* The cost of the employees' defined benefit retirement scheme is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- *Leases: Estimating the incremental borrowing rate:* The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.
- *Impact of climate change:* The Company is performing a review of its overall energy strategy which will include the impact of climate change. A by-product of that energy strategy will include an assessment of risks

due to climate change on material financial statement line items, significant judgements, and material estimation uncertainties. Estimates, such as the pace of energy transition and demand forecasts, and their impact on commodity prices, margins and growth rates, include assumptions and inherent uncertainties that will be subject to change as market factors, policy and regulation evolve. The Company believes that the judgements and estimates used in the preparation of the 2022 Financial Statements are consistent with the Company's long-term strategy and the profile of its operations. The Company will continue to update its financial plans, estimates and assumptions concerning the economic environment and the pace of the energy transition.

- *Interest rate benchmark reform:* Following the 2008 global financial crisis, the reform and replacement of benchmark interest rates such as U.S.\$ LIBOR and other interbank offered rates (“**IBORs**”) has become a priority for global regulators. ICE Benchmark Administration’s (“**IBA**”) anticipates the continuation of the Overnight and 1, 3, 6 and 12 month U.S.\$ LIBOR settings through till 30 June 2023. To transition existing contracts and agreements that reference U.S.\$ LIBOR to SOFR (secured overnight financing rate), adjustments for term differences and credit differences need to be applied to SOFR in the year 2023, to enable the two benchmark rates to be economically equivalent on transition. The Group's treasury is managing the U.S.\$ LIBOR transition plan. The greatest change will be amendments to the contractual terms of the U.S.\$ LIBOR-referenced floating rate debt and the associated swap and the corresponding update of the hedge designation. The changed reference rate is not expected to affect other systems, processes, risk and valuation models, as well as having tax and accounting implications.

The Group has applied the following reliefs that were introduced by the amendments made to IFRS 9 Financial Instruments in September 2019:

- When considering the ‘highly probable’ requirement, the Group has assumed that the U.S.\$ LIBOR interest rate on which the Group’s hedged debt is based does not change as a result of IBOR reform.
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis the Group has assumed that the U.S.\$ LIBOR interest rate on which the cash flows of the hedged debt and the interest rate swap that hedges it are based is not altered by LIBOR reform.
- The Group has not recycled the cash flow hedge reserve relating to the period after the reforms are expected to take effect.

In calculating the change in fair value attributable to the hedged risk of floating rate debt, the Group has made the following assumptions that reflect its current expectations:

- As IBA anticipates the continuation of the Overnight and 1, 3, 6 and 12 month U.S.\$ LIBOR settings through till 30 June 2023, the Group’s floating-rate debt and interest rate swaps, used as hedging instruments, will be affected by the LIBOR cessation only in 2023 since they are based on 3 and 6 month LIBOR.
- No other changes to the terms of the Group’s floating rate debt or the interest rate swaps are anticipated that will affect the hedged risk.

The following table contains details of the carrying amounts of financial instruments of the Group referencing U.S.\$ LIBOR, recognised as at 31 December 2022 which expire after the cessation dates, and which have not yet transitioned to an alternative benchmark:

	<u>As at 31 December 2022 (BD'000)</u>
Non-derivative financial liabilities .....	1,331,476
Derivative financial instruments .....	<u>(116,073)</u>

## RESULTS OF OPERATIONS

### Comparison of the results of operations for the years ended 31 December 2021 and 2022

All figures for the year ended 31 December 2021 in this section are reclassified and have been derived from the 2022 Financial Statements. See "Presentation of Financial and Other Information—Reclassification of certain 2021 financial information".

#### Revenue

The table below shows the breakdown of the Group's revenue for each of the years ended 31 December 2021 and 2022.

	2021 <sup>(1)</sup>		2022	
	(BD'000)	(% of total)	(BD'000)	(% of total)
Refined products.....	2,013,844	72.5	3,206,054	77.1
Natural Gas and NGLs .....	512,305	18.4	632,925	15.2
Lube based oil revenues .....	72,981	2.6	132,121	3.2
Other revenue .....	179,938	6.4	186,016	4.5
<b>Total .....</b>	<b>2,779,068</b>	<b>100.0</b>	<b>4,157,116</b>	<b>100.0</b>

#### Notes:

- (1) The financial information as at and for the year ended 31 December 2021 has been extracted from the unaudited comparative column of the 2022 Financial Statements, following the reclassification of these balances as set out in Note 40 in the 2022 Financial Statements.

The table below shows the breakdown of the Group's revenue for each of the years ended 31 December 2021 and 2022 based on contracts with customers according to product type and source.

	2021 <sup>(1)</sup>		2022	
	(BD'000)	(% of total)	(BD'000)	(% of total)
<i>Refined products.....</i>				
Diesel.....	888,521	34.2	1,554,494	39.1
Jet Fuel.....	337,460	13.0	621,130	15.6
Fuel Oil.....	348,666	13.4	515,469	13.0
Other refined products	439,197	16.9	514,961	13.0
<i>Natural Gas and NGLs.....</i>				
Naptha.....	462,538	17.8	566,499	14.3
Propane	23,932	0.1	31,278	0.8
Butane	25,835	0.1	35,148	0.9
Lube based oil revenues	72,981	0.03	132,121	3.3

#### Notes:

- (1) The financial information as at and for the year ended 31 December 2021 has been extracted from the unaudited comparative column of the 2022 Financial Statements, following the reclassification of these balances as set out in Note 40 in the 2022 Financial Statements.

The Group's revenue from contracts with customers during 2022 amounted to BD3,971.1 million (U.S.\$10,561.4 million) compared to BD2,599.1 million (U.S.\$6,912.6 million) in 2021, a decrease of BD1,372 million (U.S.\$3,648.9 million), or 52.8 per cent.

The Group's principal sources of revenue for the periods under review were from the international sales and domestic sales of refined oil products. Together, these two sources of revenue comprised 86.8 per cent. and 91.3 per cent. of the Group's revenue in 2021 and 2022, respectively.

Revenue from the international sale of refined oil products was derived from the sale of refined oil products primarily produced by Bapco and exported internationally. Revenue from the international sale of refined oil products increased by BD1,358.2 million (U.S.\$3,612.2 million), or 62.5 per cent., in 2022, increasing from BD2,174.2 million (U.S.\$5,782.4 million) in 2021 to BD3,532.4 million (U.S.\$9,394.7 million) in 2022. The total volume of refined oil products sold internationally also increased slightly, increasing from 79.7 million barrels in



the year ended 31 December 2021 to 85.4 million barrels in the year ended 31 December 2022, an increase of 5.7 million barrels.

The table below sets out the total sales revenue generated as a result of the international sale of refined oil products produced by the Group during the years ended 31 December 2021 and 2022.

	<u>For the year ended 31 December 2021</u>	<u>For the year ended 31 December 2022</u>
	<u>Total Sales Revenue<sup>(1)</sup></u>	<u>Total Sales Revenue<sup>(1)</sup></u>
	(U.S.\$)	(U.S.\$)
Asphalt.....	54,699,797	49,879,529
Fuel Oil.....	924,843,105	1,367,290,634
Gas Oil <sup>(2)</sup> .....	2,356,840,572	4,091,376,511
Kerosene.....	1,106,404,943	2,176,955,660
LPG.....	14,645,611	27,724,042
Lube Base Oil <sup>(3)</sup> .....	264,633,044	352,178,673
Naptha.....	1,026,686,244	1,269,982,321
Sulphur.....	19,250,684	35,712,630
<b>Total.....</b>	<b>5,768,004,000</b>	<b>9,371,100,000</b>

**Note:**

- (1) Based on unconsolidated management accounts. The difference between the total sales revenue shown in the table and the revenue from the international sale of refined oil products is the result of certain accruals and adjustments.
- (2) Consists of gasoline components sold to BGB.
- (3) Consists of feedstock produced and sold to Bahrain Lube.

The increase in revenue from the international sale of refined oil products was largely as a result of increased prices and sales volume due to favourable market conditions.

Revenue from the domestic sale of refined oil products was derived from the sale of diesel, kerosene, gasoline, LPG and asphalt produced by Bapco to the domestic market in Bahrain, principally through its domestic distribution network of petrol stations. Revenue from the domestic sale of refined oil products increased by BD26.0 million (U.S.\$69.3 million), or 11.0 per cent., in 2022, increasing from BD236.8 million (U.S.\$629.8 million) in 2021 to BD262.9 million (U.S.\$699.2 million) in 2022. This increase principally reflected an increase in gasoline sales. The total volume of refined oil products sold domestically also increased, increasing from 10.6 million barrels in the year ended 31 December 2021 to 11.5 million barrels in the year ended 31 December 2022, an increase of 0.9 million barrels, which was largely a result of increased gasoline sales.

The table below sets out the total sales revenue generated in connection with the domestic sale of refined oil products produced by the Group during the years ended 31 December 2021 and 2022.

	<u>For the year ended 31 December 2021</u>	<u>For the year ended 31 December 2022</u>
	<u>Total Sales Revenue<sup>(1)</sup></u>	<u>Total Sales Revenue<sup>(1)</sup></u>
	(U.S.\$)	(U.S.\$)
Asphalt.....	13,555,991	15,458,562
Fuel Oil.....	—	—
Gas Oil.....	588,373,667	655,501,067
Kerosene.....	15,295,769	14,586,687
LPG.....	11,014,574	11,792,683
Lube Base Oil.....	—	—
Naptha.....	—	—
<b>Total.....</b>	<b>628,240,000</b>	<b>697,339,000</b>

**Note:**

- (1) Based on unconsolidated management accounts. The difference between the total sales revenue shown in the table and the revenue from the domestic sale of refined oil products is the result of certain accruals and adjustments.

Revenue is derived from the sale of naphtha, propane and butane by Banagas, Tawseah and (since 2021) Bapco. Revenue from the sale of gas increased by BD120.6 million (U.S.\$320.7 million), or 23.5 per cent., in 2022, increasing from BD512.3 million (U.S.\$1,362.5 million) in 2021 to BD632.9 million (U.S.\$1,683.2 million) in 2022. This increase reflected the increase in the product selling price. While production levels for each of propane, butane and naphtha increased marginally, from 109,386 metric tonnes, 123,254 metric tonnes and 288,924 metric tonnes, respectively, in 2021, to 119,013 metric tonnes, 128,324 metric tonnes and 307,644 metric tonnes, respectively, in 2022, the market price for the products increased during 2022, from an average price of

U.S.\$651.98 per metric tonne, U.S.\$633.65 per metric tonne and U.S.\$659.16 per metric tonne, respectively, in 2021 to an average price of U.S.\$738.37 per metric tonne, U.S.\$735.46 per metric tonne and U.S.\$764.61 per metric tonne, respectively, in 2022.

Revenue from lube based oil sales was derived from the sale of lubricant base oil products by Bahrain Lube. Revenue from the sale of lubricant base oil products increased by BD59.1 million (U.S.\$157.2 million), or 81 per cent., in 2022, increasing from BD73.0 million (U.S.\$194.1 million) in 2021 to BD132.8 million (U.S.\$353.1 million) in 2022. This increase was mainly due to an increase in the sales price as well as increase in the volume sold.

### Cost of materials

The table below shows the breakdown of the Group's cost of materials for each of the years ended 31 December 2021 and 2022.

	2021		2022	
	(BD'000)	(% of total)	(BD'000)	(% of total)
Cost of crude oil consumed.....	1,792,264	89.3	3,007,923	95.2
Cost of feed gas consumed.....	33,880	1.7	43,153	1.4
Production overheads.....	17,922	0.9	19,650	0.6
Movement in petroleum inventories.....	(46,478)	(2.4)	(31,571)	(1.0)
Purchase of gasoline.....	209,840	10.5	120,272	3.8
<b>Total cost of materials.....</b>	<b>2,007,428</b>	<b>100.0</b>	<b>3,159,427</b>	<b>100.0</b>

The Group's total cost of materials for 2022 amounted to BD3,159.4 million (U.S.\$8,402.7 million) compared to BD2,007.4 million (U.S.\$5,338.9 million) for 2021, an increase of BD1,152 million (U.S.\$3,063.8 million), or 57.4 per cent., principally due to overall higher oil prices.

The table below shows the crude oil supplied to the Sitra Refinery in the years ended 31 December 2021 and 2022. There were slight fluctuations in crude oil received from Saudi Arabia in both 2021 and 2022 largely due to the impact of the COVID-19 pandemic.

	2021		2022	
	Total Volume	Average Price	Total Volume	Average Price
	(bpd)	(U.S.\$)	(bpd)	(U.S.\$)
Subsidised crude oil received from Bahrain Field.....	38,700	12.846	38,700	13.142
Non-subsidised crude oil received from Bahrain Field.....	3,899	70.351	836	101.095
<b>Crude oil received from Bahrain Field.....</b>	<b>42,599</b>	<b>17.920</b>	<b>39,536</b>	<b>15.001</b>
Crude oil received from Saudi Arabia.....	180,532	71.942	212,993	102.46
<b>Total crude oil received.....</b>	<b>223,131</b>		<b>252,529</b>	

The cost of crude oil primarily comprised the cost of Arabian crude oil, which represents the cost of the Arabian crude oil supplied to Bapco by Saudi Aramco at market prices through the New AB4 Pipeline for feedstock for the Sitra Refinery and which comprised 99.7 per cent. and 99.8 per cent. of the cost of crude oil consumed in 2021 and 2022, respectively. As a result of the increase in prices for Arabian crude oil, which increased from an average of U.S.\$71.942 per barrel in 2021 to U.S.\$102.460 per barrel in 2022, together with an increase in the volume of Arabian crude oil supplied, which increased from 180,532 bpd in 2021 to 212,993 bpd in 2022, the cost of Arabian crude oil increased by BD1,216 million (U.S.\$3,234.0 million), or 68 per cent. in 2022, increasing from BD1,787 million (U.S.\$4,752.7 million) in 2021 to BD3,003 million (U.S.\$7,986.7 million) in 2022.

The cost of crude oil also includes the cost of Bahrain crude oil, which comprised 6 per cent. and 3 per cent. of the cost of crude oil consumed in 2021 and 2022, respectively, which represents the cost of Bahrain crude oil supplied to Bapco from Bahrain Field for feedstock for the Sitra Refinery. The Government provides Bapco with a minimum of 38,700 barrels per day of Bahrain crude oil at a subsidised price of U.S.\$1 per barrel plus agreed production costs. In the years ended 31 December 2021 and 2022, Bapco paid production costs of U.S.\$11.846 per barrel and U.S.\$12.142 per barrel, respectively, in accordance with the COSPA.

As a result of the increase in the market price for Bahrain crude oil, the average price payable by the Company for excess Bahrain crude oil increased from an average of U.S.\$70.351 per barrel in 2021 to U.S.\$101.095 per barrel in 2022. This increase was offset by a decrease in the volume of Bahrain crude oil supplied at market prices, which decreased from 3,899 bpd to 836 bpd. The total cost of Bahrain crude oil remained flat at BD5.3 million (U.S.\$14.2 million) in 2021 and 2022.

The table below shows the breakdown of the cost of crude oil consumed for each of the years ended 31 December 2021 and 2022.

	2021		2022	
	(BD'000)	(% of total)	(BD'000)	(% of total)
Cost of Arabian crude oil consumed.....	1,786,940	99.7	3,002,598	99.8
Cost of Bahrain crude oil consumed.....	5,324	0.3	5,325	0.2
<b>Total cost of crude oil consumed</b> .....	<b>1,792,264</b>	<b>100</b>	<b>3,007,923</b>	<b>100</b>

Other costs of sales included the cost of feed gas consumed by Banagas and Tawseah, production overheads for Banagas and Tawseah, movement in petroleum inventories, and the purchase of gasoline.

### Other income

The table below shows the breakdown of the Group's other income for each of the years ended 31 December 2021 and 2022.

	2021		2022	
	(BD'000)	(% of total)	(BD'000)	(% of total)
Gain on previously held equity .....	—	—	5,122	10
Gain on bargain purchase.....	—	—	35,327	68.8
Miscellaneous income.....	8,843	100	10,912	21.2
<b>Other income</b> .....	<b>8,843</b>	<b>100.0</b>	<b>51,361</b>	<b>100.0</b>

The Group's other income comprises gain on bargain purchase and previously held equity and other miscellaneous income.

Together, other income amounted to BD51.4 million (U.S.\$136.6 million) in 2022 compared to BD8.8 million (U.S.\$23.5 million) in 2021, an increase of BD42.5 million (U.S.\$113.1 million), or 481.1 per cent. This increase principally is due to higher income and recognition of gain on bargain purchase and on previously held equity interest as a result of the acquisition of additional Nesté Bahrain shares.

### Staff costs

The Group's staff costs comprise the costs of the Group's Bahraini and expatriate employees. Staff costs amounted to BD136.2 million (U.S.\$362.2 million) in 2022 compared to BD126.0 million (U.S.\$335.1 million) in 2021, an increase of BD10.2 million (U.S.\$27.1 million), or 8 per cent. This increase reflected mainly an increase in hiring at Bapco and Tatweer.

### Maintenance expenses

The Group's maintenance expenses comprise the costs of maintaining the equipment and facilities of the Group. Maintenance expenses amounted to BD105.2 million (U.S.\$279.8 million) in 2022 compared to BD102.3 million (U.S.\$272.0 million) in 2021, an increase of BD2.9 million (U.S.\$7.7 million), or 2.8 per cent. This slight increase principally reflected regular maintenance works.

### Other expenses

The table below shows the breakdown of the Group's other expenses for each of the years ended 31 December 2021 and 2022.

	2021		2022	
	(BD'000)	(% of total)	(BD'000)	(% of total)
Materials and services.....	43,784	44.1	54,116	42.7
Other operating expenses.....	46,158	46.4	59,866	47.3
Property, plant and equipment written-off and capital work in progress written-off.....	622	0.6	700	0.6
Miscellaneous expenses.....	6,383	6.4	13,539	10.7
Ineffectiveness on derivative instruments designated as cash flow hedges.....	509	0.5	(3,536)	(2.8)
Realised and unrealised (loss)/gain on commodity derivative transactions (net).....	1,960	2.0	1,992	1.5
<b>Other expenses</b> .....	<b>99,416</b>	<b>100.0</b>	<b>126,677</b>	<b>100.0</b>

The Group's other expenses comprise, amongst other things, the cost for materials and services related to the operations of Bapco, the costs for the Group's share in Tatweer's operating expenditure and provisions for

doubtful trade and other receivables. The Group's other expenses amounted to BD126.7 million (U.S.\$336.9 million) in 2022 compared to BD99.4 million (U.S.\$264.4 million) in 2021, an increase of BD27.3 million (U.S.\$72.5 million), or 27.5 per cent. This increase principally reflected Tatweer's operating expenses and capitalised murabaha borrowing costs due to the refinancing of the Facilities (as defined below).

### Depreciation

The Group's depreciation expenses comprise the expenses related to the depreciation of the Group's assets. The Group's depreciation costs amounted to BD215.0 million (U.S.\$571.8 million) in 2022 compared to BD195.4 million (U.S.\$519.7 million) in 2021, an increase of BD19.6 million (U.S.\$52.1 million), or 10 per cent. This increase principally reflected higher oil production volumes as the Group uses the unit of production method of depreciation.

### Operating profit

Reflecting the factors described above, the Group's operating profit increased by BD206.9 million (U.S.\$550.3 million), or 90.8 per cent. in 2022, from profit of BD227.8 million (U.S.\$605.7 million) in 2021 to profit of BD434.7 million (U.S.\$1,156.1 million) in 2022.

### Finance income

The Group's finance income comprises interest income on deposits held at various banks, as well as any gain as a result of interest rate fluctuations and interest on overdue debts. The Group's finance income increased by BD12.6 million (U.S.\$33.6 million), or 441.9 per cent. in 2022, from BD2.9 million (U.S.\$7.7 million) in 2021 to BD15.5 million (U.S.\$41.2 million) in 2022. This increase principally reflected higher prevailing interest rates.

### Finance cost

The table below shows the breakdown of the Group's finance cost for each of the years ended 31 December 2021 and 2022.

	2021	2022
	(BD'000)	
Interest on borrowings and short-term borrowings.....	67,366	80,311
Interest on lease liabilities.....	10,773	9,899
Others.....	984	895
<b>Finance cost.....</b>	<b>79,123</b>	<b>91,105</b>

The Group's finance cost comprises the sum of (i) the interest on borrowings and short term borrowings; (ii) the interest on lease liabilities; and (iii) others. The Group's finance cost increased by BD12 million (U.S.\$31.9 million), or 15.1 per cent. in 2022 as compared to 2021. This increase is in line with the Company's and Bapco's additional borrowings.

### Share of profit from associates

The Group's income from its share of profit from associates comprises its share of the results of its associates. As at 31 December 2022, the Group had four associates, GPIC, Bahrain LNG, Arab Shipbuilding and Repair Yard Co. B.S.C. (c) ("Asry") and Trident Logistics Bahrain Co W.L.L. ("Trident Logistics").

The Group's share of the profit from its associates increased by BD11.5 million, or 42.2 per cent. in 2022, increasing from a profit of BD27.4 million (U.S.\$72.8 million) in 2021 to a profit of BD38.9 million (U.S.\$103.5 million) in 2022, owing to a robust performance by such associates.

The production of ammonia, methanol and urea decreased by 38,892 metric tonnes, 26,410 metric tonnes and 36,164 metric tonnes, respectively, in 2022, decreasing from 459,788 metric tonnes, 445,757 metric tonnes and 706,544 metric tonnes in 2021 to 420,896 metric tonnes, 419,347 metric tonnes and 670,380 metric tonnes in 2022, representing a decrease of 8.5 per cent., 5.9 per cent. and 5.1 per cent., respectively. The decrease in production volumes in 2022 was due to GPIC undertaking a planned turnaround of its three plants for around 28 days.

The price of methanol and urea increased from U.S.\$522 per metric tonne and U.S.\$443 per metric tonne, respectively, for 2021 to U.S.\$833 per metric tonne and U.S.\$634 per metric tonne, respectively, for 2022; while methanol prices decreased from U.S.\$345 per metric tonne during 2021 to U.S.\$311 per metric tonne during 2022.

### Income tax expense

In 2022, the Group incurred an income tax expense of BD4.1 million (U.S.\$10.9 million). This represents an increase from 2021, when the Group incurred an income tax expense of BD3.7 million (U.S.\$9.8 million). Banagas is the only subsidiary in the Group whose operations give rise to tax expense, as a result of its 25 per cent. foreign ownership, with income tax charged at 46 per cent. of its profit. The increase in income tax expenses in 2022 was the result of higher profits.

In 2022, Banagas recorded a profit before tax of BD8.9 million (U.S.\$23.7 million), thereby incurring a tax expense (net) of BD4.1 million (U.S.\$10.9 million).

### Other comprehensive income

Other comprehensive income represents the income recognised from the outcome of the actuarial valuation conducted each year by an independent actuary of the defined benefit retirement scheme the Group and its associates operate for their Bahraini employees and a gain on the cash flow hedge reserve.

The Group had other comprehensive income of BD279.8 million (U.S.\$744.1 million) in 2022 compared to income of BD78.3 million (U.S.\$208.2 million) in 2021. This increase was primarily a result of the Company's hedging policy on its floating rate financing facilities which resulted in a gain on cashflow hedges.

### Total comprehensive income or loss for the year

Reflecting the above factors, the Group recorded total comprehensive income for the year of BD673.7 million (U.S.\$1,791.7 million) in 2022, compared to BD253.4 million (U.S.\$674.1 million) in 2021, an increase of BD420.3 million (U.S.\$1,117.8 million) or 165.8 per cent. After taking into account non-controlling interests, the total comprehensive income attributable to the shareholder of the parent was BD671.5 million (U.S.\$1,785.9 million) in 2022 compared to BD252.3 million (U.S.\$671.0 million) in 2021.

### Comparison of the results of operations for the years ended 31 December 2020 and 2021

All figures for the year ended 31 December 2021 in this section are original and have been derived from the 2021 Financial Statements. See "*Presentation of Financial and Other Information—Reclassification of certain 2021 financial information*".

### Revenue

The table below shows the breakdown of the Group's revenue for each of the years ended 31 December 2020 and 2021.

	2020		2021	
	(BD'000)	(% of total)	(BD'000) <i>(Original)</i>	(% of total)
<b>Oil Product Revenues</b>				
International sales.....	1,291,703	78.6	2,198,647	84.6
Domestic sales.....	224,793	13.7	202,258	7.8
<b>Gas Product Revenues</b>				
Naphtha.....	43,977	2.7	75,477	2.9
Propane.....	20,576	1.3	23,932	0.9
Butane.....	20,929	1.3	25,835	1.0
Lube based oil revenues.....	41,435	2.5	72,981	2.8
<b>Total.....</b>	<b>1,643,413</b>	<b>100.0</b>	<b>2,599,130</b>	<b>100.0</b>

The Group's total revenue during 2021 amounted to BD2,599.1 million (U.S.\$6,912.6 million) compared to BD1,643.4 million (U.S.\$4,370.7 million) in 2020, an increase of BD955.8 million (U.S.\$2,541.8 million), or 58.2 per cent.

The Group's principal sources of revenue for the periods under review were from the international sales and domestic sales of refined oil products. Together, these two sources of revenue comprised 92.4 per cent. and 86.8 per cent. of the Group's revenue in 2020 and 2021, respectively.

Revenue from the international sale of refined oil products was derived from the sale of refined oil products primarily produced by Bapco and exported internationally. Revenue from the international sale of refined oil products increased by BD878.8 million (U.S.\$2,337.2 million), or 67.8 per cent., in 2021, increasing from BD1,295.4 million (U.S.\$3,445.2 million) in 2020 to BD2,174.2 million (U.S.\$5,782.4 million) in 2021. This increase in revenue was primarily the result of higher oil prices. The total volume of refined oil products sold internationally also decreased slightly, decreasing from 83.1 million barrels in the year ended 31 December 2020 to 79.7 million barrels in the year ended 31 December 2021, a decrease of 3.4 million barrels.

The table below sets out the total sales revenue generated as a result of the international sale of refined oil products produced by the Group during the years ended 31 December 2020 and 2021.

	For the year ended 31 December 2020	For the year ended 31 December 2021
	Total Sales Revenue <sup>(1)</sup>	Total Sales Revenue <sup>(1)</sup>
	(U.S.\$)	(U.S.\$)
Asphalt .....	74,547,647	54,699,797
Fuel Oil.....	464,227,859	924,843,105
Gas Oil <sup>(2)</sup> .....	1,276,876,640	2,356,840,572
Kerosene.....	859,472,973	1,106,404,943
LPG .....	14,978,981	14,645,611
Lube Base Oil <sup>(3)</sup> .....	145,154,250	264,633,044
Naptha .....	594,486,058	1,026,686,244
Sulphur.....	6,802,592	19,250,684
<b>Total.....</b>	<b>3,436,547,000</b>	<b>5,768,004,000</b>

**Note:**

- (1) Based on unconsolidated management accounts. The difference between the total sales revenue shown in the table and the revenue from the international sale of refined oil products is the result of certain accruals and adjustments.
- (2) Consists of gasoline components sold to BGB.
- (3) Consists of feedstock produced and sold to Bahrain Lube.

The increase in revenue from the international sale of refined oil products was largely as a result of an increase in diesel prices.

Revenue from the domestic sale of refined oil products was derived from the sale of diesel, kerosene, gasoline, LPG and asphalt produced by Bapco to the domestic market in Bahrain, principally through its domestic distribution network of petrol stations. Revenue from the domestic sale of refined oil products increased by BD13.6 million (U.S.\$36.2 million), or 6.1 per cent., in 2021, increasing from BD223.2 million (U.S.\$593.6 million) in 2020 to BD236.8 million (U.S.\$629.8 million) in 2021. This increase was principally a result of market demand conditions and the turnaround after the peak of the COVID-19 pandemic. The total volume of refined oil products sold domestically also increased slightly, increasing from 9.9 million barrels in the year ended 31 December 2020 to 10.6 million barrels in the year ended 31 December 2021, an increase of 0.7 million barrels, which was largely a result of improved market conditions.

The table below sets out the total sales revenue generated in connection with the domestic sale of refined oil products produced by the Group during the years ended 31 December 2020 and 2021.

	For the year ended 31 December 2020	For the year ended 31 December 2021
	Total Sales Revenue <sup>(1)</sup>	Total Sales Revenue <sup>(1)</sup>
	(U.S.\$)	(U.S.\$)
Asphalt .....	10,968,289	13,555,991
Fuel Oil.....	—	—
Gas Oil.....	553,233,649	588,373,667
Kerosene.....	16,837,998	15,295,769
LPG .....	11,132,873	11,014,574
Lube Base Oil.....	—	—
Naptha .....	—	—
<b>Total.....</b>	<b>592,172,809</b>	<b>628,240,000</b>

**Note:**

- (1) Based on unconsolidated management accounts. The difference between the total sales revenue shown in the table and the revenue from the domestic sale of refined oil products is the result of certain accruals and adjustments.

Revenue is derived from the sale of naphtha, propane and butane by Banagas, Tawseah and (since 2021) Bapco. Revenue from the sale of gas increased by BD39.8 million (U.S.\$105.8 million), or 46.5 per cent., in 2021, increasing from BD85.5 million (U.S.\$227.3 million) in 2020 to BD125.2 million (U.S.\$333.1 million) in 2021. This increase reflected the increase in the product selling price. While production levels for each of propane, butane and naphtha decreased marginally, from 148,579 metric tonnes, 151,309 metric tonnes and 333,976 metric tonnes, respectively, in 2020, to 109,386 metric tonnes, 123,254 metric tonnes and 288,924 metric tonnes, respectively, in 2021, the market price for the products increased during 2021, from an average price of U.S.\$401.42 per metric tonne, U.S.\$408.09 per metric tonne and U.S.\$358.87 per metric tonne, respectively, in 2020 to an average price of U.S.\$651.98 per metric tonne, U.S.\$633.65 per metric tonne and U.S.\$659.16 per metric tonne, respectively, in 2021.

Revenue from lube based oil sales was derived from the sale of lubricant base oil products by Bahrain Lube. Revenue from the sale of lubricant base oil products increased by BD31.5 million (U.S.\$83.9 million), or 76.1 per cent., in 2021, increasing from BD41.4 million (U.S.\$110.2 million) in 2020 to BD73.0 million (U.S.\$194.1 million) in 2021. This increase principally reflected an increase in sales volumes and in increase in average prices in 2021 compared to 2020.

### Cost of materials

The table below shows the breakdown of the Group's cost of materials for each of the years ended 31 December 2020 and 2021.

	2020		2021	
	(BD'000)	(% of total)	(BD'000)	(% of total)
Cost of crude oil consumed.....	1,051,625	84.8	1,792,264	89.3
Cost of feed gas consumed.....	22,272	1.8	33,880	1.7
Production overheads.....	15,402	1.3	17,922	0.9
Movement in petroleum inventories.....	57,014	4.6	(46,478)	(2.4)
Purchase of gasoline.....	93,127	7.5	209,840	10.5
<b>Total cost of materials.....</b>	<b>1,239,440<sup>(1)</sup></b>	<b>100.0</b>	<b>2,007,428</b>	<b>100.0</b>

The Group's total cost of materials for 2021 amounted to BD2,007.4 million (U.S.\$5,339.0 million) compared to BD1,239.4 million (U.S.\$3,296.4 million) for 2020, an increase of BD768.0 million (U.S.\$2,043.0 million), or 62.0 per cent., principally due to an increase in global oil prices and prices of consumables.

The table below shows the crude oil supplied to the Sitra Refinery in the years ended 31 December 2020 and 2021. There were slight fluctuations in crude oil received from Saudi Arabia in both 2020 and 2021 due to COVID-19.

	2020		2021	
	Total Volume (bpd)	Average Price (U.S.\$)	Total Volume (bpd)	Average Price (U.S.\$)
Subsidised crude oil received from Bahrain Field.....	38,700	12.557	38,700	12.846
Non-subsidised crude oil received from Bahrain Field.....	4,613	41.593	3,899	70.351
<b>Crude oil received from Bahrain Field.....</b>	<b>43,313</b>	<b>16.156</b>	<b>42,599</b>	<b>17.920</b>
Crude oil received from Saudi Arabia.....	176,465	42.988	180,532	71.942
<b>Total crude oil received.....</b>	<b>219,778</b>		<b>223,131</b>	

The cost of crude oil primarily comprised the cost of Arabian crude oil, which represents the cost of the Arabian crude oil supplied to Bapco by Saudi Aramco at market prices through the New AB4 Pipeline for feedstock for the Sitra Refinery and which comprised 99.5 per cent. and 99.7 per cent. of the cost of crude oil consumed in 2020 and 2021, respectively. As a result of the increase in prices for Arabian crude oil, which increased from an average of U.S.\$42.988 per barrel in 2020 to U.S.\$71.942 per barrel in 2021, together with an increase in the volume of Arabian crude oil supplied, which increased from 176,465 bpd in 2020 to 180,532 bpd in 2021, the cost of Arabian crude oil increased by BD740 million (U.S.\$1,969 million), or 71 per cent. in 2021, increasing from BD1,046.6 million (U.S.\$2,783.5 million) in 2020 to BD1,787 million (U.S.\$4,752.7 million) in 2021.

The cost of crude oil also includes the cost of Bahrain crude oil, which comprised 8 per cent. and 6 per cent. of the cost of crude oil consumed in 2020 and 2021, respectively, which represents the cost of Bahrain crude oil supplied to Bapco from Bahrain Field for feedstock for the Sitra Refinery. The Government provides Bapco with a minimum of 38,700 barrels per day of Bahrain crude oil at a subsidised price of U.S.\$1 per barrel plus agreed

production costs. In the years ended 31 December 2020 and 2021, Bapco paid production costs of U.S.\$11.557 per barrel and U.S.\$11.846 per barrel, respectively, in accordance with the COSPA.

As a result of the increase in the market price for Bahrain crude oil, the average price payable by the Company for excess Bahrain crude oil increased from an average of U.S.\$41.593 per barrel in 2020 to U.S.\$70.351 per barrel in 2021. This increase, offset slightly by a decrease in the volume of Bahrain crude oil supplied at market prices, which decreased from 4,613 bpd to 3,899 bpd, had a resulting impact on the total cost of Bahrain crude oil, which increased by BD0.3 million (U.S.\$0.8 million), or 5.7 per cent., from BD5.0 million (U.S.\$13.4 million) in 2020 to BD5.3 million (U.S.\$14.2 million) in 2021.

The table below shows the breakdown of the cost of crude oil consumed for each of the years ended 31 December 2020 and 2021.

	2020		2021	
	(BD'000)	(% of total)	(BD'000)	(% of total)
Cost of Arabian crude oil consumed.....	1,046,586	99.5	1,786,940	99.7
Cost of Bahrain crude oil consumed.....	5,039	0.5	5,324	0.3
<b>Total cost of crude oil consumed</b> .....	<b>1,051,625</b>	<b>100</b>	<b>1,792,264</b>	<b>100</b>

Other costs of sales including the cost of feed gas consumed by Banagas and Tawseah, production overheads for Banagas and Tawseah, movement in petroleum inventories, and the purchase of gasoline.

### Other income

The table below shows the breakdown of the Group's other income for each of the years ended 31 December 2020 and 2021.

	2020		2021	
	(BD'000)	(% of total)	(BD'000) (Original)	(% of total)
Income relating to non-associated gas .....	83,126	60.8	141,357	74.8
Service income from Ministry of Oil and Environment (formerly Noga).....	5,573	4.1	6,158	3.3
Supply and services.....	5,623	4.1	5,666	3.0
Marketing fees - Abu Saafa.....	4,104	3.0	4,110	2.2
Berthing and unberthing charges .....	2,915	2.1	3,513	1.9
Medical services.....	2,801	2.1	2,699	1.4
Awali facilities .....	1,535	1.1	1,378	0.7
Miscellaneous income .....	31,114	22.7	23,900	12.7
<b>Other income</b> .....	<b>136,791</b>	<b>100.0</b>	<b>188,781</b>	<b>100.0</b>

The Group's other income comprises income from, amongst other things, the marketing fees that Bapco receives from the Government for the marketing of the crude oil from the Abu Saa'fa oilfield, the fee income for maintaining Bahrain's gas distribution network, the fees that Bapco receives in respect of the berthing and unberthing charges for loading and unloading ships at Bapco's wharf and other miscellaneous income, largely comprising administration fees, wharf fees and fees earned on products sold in BRC's service stations.

Together, other income amounted to BD188.8 million (U.S.\$502.1 million) in 2021 compared to BD136.8 million (U.S.\$363.8 million) in 2020, an increase of BD52.0 million (U.S.\$138.3 million), or 38.0 per cent. This increase principally reflected an increase in non-associated gas income.

### Staff costs

Staff costs amounted to BD126.0 million (U.S.\$335.0 million) in 2021 compared to BD111.5 million (U.S.\$296.5 million), an increase of BD14.5 million (U.S.\$38.6 million), or 13 per cent. This increase reflected an increase in construction activities relating to the Bapco Modernisation Programme, that the Government did not contribute to the salaries of Bahraini employees (unlike the first three months in 2020), as well as provisions made in respect of court rulings in favour of Bapco's employees relating to the years 2012 to 2019 (as further described in Note 30.1 to the 2021 Financial Statements).



## Maintenance expenses

Maintenance expenses amounted to BD102.3 million (U.S.\$272.0 million) in 2021 compared to BD102.4 million (U.S.\$272.4 million) in 2020, a decrease of BD0.1 million (U.S.\$0.4 million), or 0.1 per cent. This decrease principally reflected cost saving initiatives and deferment of maintenance programmes.

## Other expenses

The table below shows the breakdown of the Group's other expenses for each of the years ended 31 December 2020 and 2021.

	2020		2021	
	(BD'000)	(% of total)	(BD'000)	(% of total)
Materials and services .....	45,075	37.6	43,784	44.0
Other operating expenses .....	73,498	61.4	46,158	46.4
Property, plant and equipment written-off and capital work in progress written-off .....	1,139	1.0	622	0.6
Miscellaneous expenses .....	3,881	3.2	6,383	6.4
Ineffectiveness on derivative instruments designated as cash flow hedges .....	(127)	(0.1)	509	0.5
Realised and unrealised (loss)/gain on commodity derivative transactions (net).....	(3,722) <sup>(1)</sup>	(3.1)	1,960	2.0
<b>Other expenses</b> .....	<b>119,744<sup>(1)</sup></b>	<b>100.0</b>	<b>99,416</b>	<b>100.0</b>

### Notes:

(1) The comparative figures for the year ended 31 December 2020 are extracted or derived from the comparative column of the 2021 Financial Statements to conform to the presentation used in the 2021 Financial Statements.

The Group's other expenses comprise, amongst other things, the cost for materials and services related to the operations of Bapco, the costs for the Group's share in Tatweer's operating expenditure and provisions for doubtful trade and other receivables. The Group's other expenses amounted to BD99.4 million (U.S.\$264.4 million) in 2021 compared to BD119.7 million (U.S.\$318.5 million) in 2020, a decrease of BD20.3 million (U.S.\$54.1 million), or 17.0 per cent. This decrease principally reflected a decrease in Tatweer's operations.

## Depreciation

The Group's depreciation costs amounted to BD195.4 million (U.S.\$519.7 million) in 2021 compared to BD194.1 million (U.S.\$516.2 million) in 2020, a slight increase of BD1.3 million (U.S.\$3.5 million), or 0.7 per cent. This increase was in line with the increase in oil production.

## Operating profit

Reflecting the initiatives of the Group described above, the Group's operating profit increased by BD216.7 million (U.S.\$576.2 million), or 1,952.0 per cent. in 2021, from profit of BD11.1 million (U.S.\$29.6 million) in 2020 to profit of BD227.8 million (U.S.\$605.8 million) in 2021.

## Finance income

The Group's finance income decreased by BD1.4 million (U.S.\$3.6 million), or 33.3 per cent. in 2021, from BD4.2 million (U.S.\$11.2 million) in 2020 to BD2.9 million (U.S.\$7.6 million). This decrease principally reflected lower income earned due to lower interest rates.

## Finance cost

The table below shows the breakdown of the Group's finance cost for each of the years ended 31 December 2020 and 2021.

	2020	2021
	(BD'000)	
Interest on borrowings and short-term borrowings.....	53,119	67,366
Interest on lease liabilities .....	8,855	10,773
Others .....	651	984
<b>Finance cost</b> .....	<b>62,625</b>	<b>79,123</b>

The Group's finance cost increased by BD16.5 million (U.S.\$43.9 million), or 26.3 per cent. in 2021 as compared to 2020. This increase is in line with the Company's and Tawseah's additional borrowings.

### **Share of profit from associates**

As at 31 December 2021, the Group had four associates, GPIC, Bahrain LNG, Asry and Trident Logistics.

The Group's share of the profit from its associates increased by BD27.4 million, or 48,016 per cent. in 2021, increasing from a loss of BD0.1 million (U.S.\$0.15 million) in 2020, to BD27.4 million (U.S.\$72.8 million), owing to an increase in GPIC's profits.

The production of ammonia, methanol and urea decreased by 4,087 metric tonnes, 4,340 metric tonnes and 12,249 metric tonnes, respectively, in 2021 decreasing from 463,875 metric tonnes, 450,096 metric tonnes and 718,793 metric tonnes in 2020 to 459,788 metric tonnes, 445,757 metric tonnes and 706,544 metric tonnes in 2021, representing a decrease of 0.9 per cent., 1.0 per cent. and 1.7 per cent., respectively.

The price of methanol and urea increased from U.S.\$183 per metric tonne and U.S.\$238 per metric tonne, respectively, for 2020 to U.S.\$345 per metric tonne and U.S.\$443 per metric tonne, respectively, for 2021; while ammonia prices increased from U.S.\$197 per metric tonne during 2020 to U.S.\$522 per metric tonne during 2021.

### **Income tax expense**

In 2021, the Group incurred an income tax of BD3.7 million (U.S.\$9.8 million). This represents an increase from 2020, when the Group incurred an income tax expense of BD1.6 million (U.S.\$4.2 million). Banagas is the only subsidiary in the Group whose operations give rise to tax expense, as a result of its 25 per cent. foreign ownership, with income tax charged at 46 per cent. of its profit. The increase in income tax expenses in 2021 was the result of higher profits.

In 2021, Banagas recorded a profit before tax of BD8 million (U.S.\$21.3 million), thereby incurring a tax expense (net) of BD3.7 million (U.S.\$9.8 million).

### **Other comprehensive income**

Other comprehensive income represents the income recognised from the outcome of the actuarial valuation conducted each year by an independent actuary of the defined benefit retirement scheme the Group and its associates operate for their Bahraini employees and a gain on the cash flow hedge reserve.

The Group had other comprehensive income of BD78.3 million (U.S.\$208.2 million) in 2021, compared to a loss in other comprehensive income of BD84.4 million (U.S.\$224.6 million) in 2020. This increase was primarily a result of an improvement of fair value of interest rate swaps at Bapco and the Company.

### **Total comprehensive income or loss for the year**

Reflecting the above factors, the Group recorded total comprehensive income for the year of BD253.4 million (U.S.\$674.1 million) in 2021, compared to a loss for the year of BD133.4 million (U.S.\$354.9 million) in 2020, an increase of BD386.9 million (U.S.\$1,029.0 million) or 290.0 per cent. After taking into account non-controlling interests, the total comprehensive loss attributable to the shareholder of the parent was BD252.3 million (U.S.\$671.0 million) compared to BD133.9 million (U.S.\$356.1 million) in 2020.

## **ANALYSIS OF CERTAIN STATEMENT OF FINANCIAL POSITION ITEMS**

### **Significant assets**

As at 31 December 2020, 2021 and 2022, the Group had total assets of BD4,055.8 million (U.S.\$10,786.7 million), BD5,124.6 million (U.S.\$13,629.4 million) and BD5,950.8 million (U.S.\$15,826.6 million), respectively.

The most significant classes of asset on the Group's statement of financial position are property, plant and equipment, capital work-in-progress, trade and other receivables, inventories, amounts due from related parties and cash and bank balances, which, together, comprised 88.9 per cent. of the Group's total assets as at 31 December 2022.

### ***Property, plant and equipment***

As at 31 December 2020, 2021 and 2022, the Group's property, plant and equipment amounted to BD1,104.9 million (U.S.\$2,938.6 million), BD1,136.4 million (U.S.\$3,022.4 million) and BD1,098.5 million (U.S.\$2,921.5 million), or 27.2 per cent., 22.2 per cent. and 18.5 per cent., respectively, of the Group's total assets.

The Group's property, plant and equipment increased by BD31.5 million (U.S.\$83.8 million), or 2.9 per cent., in the year ended 31 December 2021 as compared to the year ended 31 December 2020. This increase was primarily due to capital additions in oil and gas producing assets.

The Group's property, plant and equipment decreased by BD38 million (U.S.\$101 million), or (3.3) per cent., in the year ended 31 December 2022 as compared to the year ended 31 December 2021. This decrease was primarily due to an increase in depreciation charge-offs.

### ***Capital work-in-progress***

The Group's capital work-in-progress principally comprised money spent on the Group's strategic projects that are being undertaken in order to diversify, strengthen and expand its current operations, including the Bapco Modernisation Programme and the Bahrain Field Oil and Gas Development and Expansion Programme.

As at 31 December 2020, 2021 and 2022, the Group's capital work-in-progress amounted to BD1,352.5 million (U.S.\$3,597.1 million), BD1,791.9 million (U.S.\$4,765.7 million) and BD2,206.8 million (U.S.\$5,869.1 million), respectively, or 33.3 per cent., 35.0 per cent. and 37.1 per cent., respectively, of the Group's total assets.

The BD439.4 million (U.S.\$1,168.6 million) increase between 31 December 2020 and 31 December 2021 and the BD414.9 million (U.S.\$1,103.4 million) increase between 31 December 2021 and 31 December 2022 were mainly the result of the construction of new facilities as part of the Bapco Modernisation Programme.

### ***Trade and other receivables***

As at 31 December 2020, 2021 and 2022, the Group's trade and other receivables amounted to BD294.2 million (U.S.\$782.5 million), BD376.7 million (U.S.\$1,001.9 million) and BD455.2 million (U.S.\$1,210.6 million), or 7.3 per cent., 7.4 per cent. and 7.6 per cent., respectively, of the Group's total assets.

The BD78.5 million (U.S.\$208.8 million), or 20.8 per cent., increase as at 31 December 2022 compared to 31 December 2021, was mainly the result of increased oil prices and prepayments made by Bapco for the Bapco Modernisation Project.

The BD82.5 million (U.S.\$219.4 million), or 28.0 per cent., increase as at 31 December 2021 compared to 31 December 2020, was mainly the result of prepayments made by Bapco for the Bapco Modernisation Project.

A substantial portion of the Group's trade and other receivables are to international customers and the receivables are secured by letters of credit issued by reputable financial institutions.

### ***Amounts due from a related party***

As at 31 December 2020, 2021 and 2022, amounts due from a related party to the Group amounted to BD421.1 million (U.S.\$1,119.9 million), BD591.74 million (U.S.\$1,573.7 million) and BD588.3 million (U.S.\$1,564.6 million), respectively, or 11.5 per cent., 12.1 per cent. and 9.9 per cent., respectively, of the Group's total assets. See "*—Principal Components of, and Key Factors Affecting, Results of Operations—Relationship with the Government—Indirect distributions to the Government*" above.

The BD3.4 million (U.S.\$9.0 million), or 1.0 per cent., decrease in amounts due from a related party as at 31 December 2022 compared to 31 December 2021, was mainly the result of the settlement of outstanding amounts through a declared dividend.

The BD198.3 million (U.S.\$527.4 million), or 47.1 per cent., increase in amounts due from a related party as at 31 December 2021 compared to 31 December 2020, was mainly the result of an increase in activities on behalf of the Ministry of Oil and Environment and MOFNE during the year for various oil and gas related arrangements.

### ***Cash and bank balances***

As at 31 December 2020, 2021 and 2022, cash and bank balances of the Group amounted to BD270.0 million (U.S.\$718.0 million), BD516.8 million (U.S.\$1,374.4 million) and BD648.2 million (U.S.\$1,723.9 million), respectively, or 6.7 per cent., 10.1 per cent. and 25.0 per cent., respectively, of the Group's total assets. The drawdowns were made in order to meet the capital expenditure and cash flow needs of the Group in order to maintain targeted liquidity thresholds and buffers.

The BD131.4 million (U.S.\$349.5 million), or 25.0 per cent., increase in cash and bank balances as at 31 December 2022 compared to 31 December 2021, was mainly the result of drawdowns under the Company's and Bapco's borrowing facilities. The drawdowns were made in order for the Company to meet the capital expenditure requirements and the cash flow needs of the Group in order to maintain the liquidity thresholds and buffers, as required by the liquidity measures of the Group.

The BD246.8 million (U.S.\$656.4 million), or 91.4 per cent., increase in cash and bank balances as at 31 December 2021 compared to 31 December 2020, was mainly the result of an increase in borrowings by Bapco and the Company and increased margins.

### **Liabilities**

The most significant classes of liability on the Group's statement of financial position are its trade and other payables and borrowings, which, together, comprised 93 per cent. of the Group's total liabilities as at 31 December 2022.

#### ***Trade and other payables***

As at 31 December 2020, 2021 and 2022, the Group's trade and other payables amounted to BD406.3 million (U.S.\$1,080.6 million), BD513.5 million (U.S.\$1,365.7 million) and BD571.4 million (U.S.\$1,519.7 million), respectively, or 14.3 per cent., 10.0 per cent. and 14.6 per cent., respectively, of the Group's total liabilities.

The BD57.9 million (U.S.\$154.0 million), or 11.3 per cent., increase in trade and other payables as at 31 December 2022 compared to 31 December 2021, was mainly the result of higher purchase prices of crude oil from Saudi Aramco due to the increase in oil prices.

The BD107.2 million (U.S.\$285.1 million), or 26.4 per cent., increase in trade and other payables as at 31 December 2021 compared to 31 December 2020, was mainly the result of higher purchase prices of crude oil from Saudi Aramco due to an increase in oil prices.

#### ***Borrowings***

As at 31 December 2020, 2021 and 2022, borrowings of the Group amounted to BD2,049.2 million (U.S.\$5,450.0 million), BD2,819.5 million (U.S.\$7,498.6 million) and BD3,108.4 million (U.S.\$8,267.1 million), respectively, or 72.1 per cent., 77.1 per cent. and 79.3 per cent., respectively, of the Group's total liabilities.

The BD288.9 million (U.S.\$768.5 million), or 10.2 per cent., increase in bank borrowings as at 31 December 2022 compared to 31 December 2021, was mainly the result of refinancing of, and drawdowns under, the Group's facilities. This included the Company's successful refinancing of its U.S.\$1,600 million Murabaha facility which was increased to U.S.\$2,200 million.

The BD770.3 million (U.S.\$2,048.6 million), or 37.6 per cent., increase in bank borrowings as at 31 December 2021 compared to 31 December 2020, was mainly the result of the upsizing of, and drawdowns under, the Group's facilities.

### **Total equity**

The table below shows the Group's total equity as at 31 December in each of 2020, 2021 and 2022.

	As at 31 December		
	2020	2021	2022
	(BD'000)		
Share capital .....	1,184,400	1,184,400	1,184,400
Capital adjustment account .....	(421,609)	(421,609)	(421,609)

Contribution from shareholder.....	438,913	438,913	438,913
Sinking fund reserve.....	160,125	160,125	160,125
Statutory reserve.....	334,219	334,219	373,395
Cash flow hedge reserve.....	(127,601)	(49,524)	229,767
(Accumulated deficit)/ retained earnings.....	(357,186)	(183,000)	57,261
<b>Equity attributable to the shareholder of the parent .</b>	<b>1,211,261</b>	<b>1,463,524</b>	<b>2,022,252</b>
Non-controlling interests.....	5,390	6,104	7,162
<b>Total equity .....</b>	<b>1,216,651</b>	<b>1,469,628</b>	<b>2,029,414</b>

As at 31 December 2022, the Company's share capital comprised 1,184,400,000 authorised, issued and fully paid shares of BD1 each. The entire capital is held by the Government.

On formation of the Company, the capital was issued as a consideration based on the value of the subsidiaries transferred. The legal capital issued was based on the gross assets of the subsidiaries, rather than the net assets transferred, resulting in recognition of additional intangible assets of BD421.6 million (U.S.\$1,121.3 million) in the form of accounting goodwill. This resulted in an overstatement of equity and gross assets by BD421.6 million (U.S.\$1,121.3 million). On 13 December 2011, the board of directors passed a resolution to restate the consolidated financial statements to reflect the true position of equity and total assets. Accordingly, this resulted in creating a debit balance in equity in favour of a capital adjustment account of BD421.6 million (U.S.\$1,121.3 million).

The sinking fund reserve was created by Bapco through transfers from prior years' profits. The reserve is not available for distribution in the form of dividend and is to be utilised to: (a) purchase materials, machineries and facilities or for their repairs; (b) cover any decrease in the value of the Group's property, plant and equipment; and (c) meet the Group's obligations under the labour and social insurance laws.

The statutory reserve has been created in accordance with Bahrain Commercial Companies Law, as amended from time to time, and the Company's Memorandum and Articles of Association, pursuant to which, 10 per cent. of the net profit for the year are transferred to a statutory reserve. Such annual transfer ceases when the reserve balance has reached 50 per cent. of the paid-up share capital. The statutory reserve cannot be utilised for the purpose of distribution, except in such circumstances as stipulated in Bahrain Commercial Companies Law.

Accumulated deficit/retained earnings comprises the Group's retained earnings and/or accumulated deficit. The BD240.3 million (U.S.\$640.0 million), or 131.3 per cent., increase in retained earnings as at 31 December 2022 as compared to 31 December 2021, was mainly the result of the profit earned for the year ended 31 December 2022. The BD174.2 million (U.S.\$4,632.6 million), or 48.8 per cent., decrease in accumulated deficit as at 31 December 2021 as compared to 31 December 2020, was mainly the result of profit for the year 2021.

The amounts due from a related party set off against retained earnings are amounts owed to the Government, primarily as a result of the difference between the price of the cost of crude oil paid by the Government to Saudi Aramco, on behalf of Bapco and the price of the international oil products that Bapco sells and deposits with the account in the Central Bank of Bahrain managed by the Government, which accrued on a yearly basis.

## CAPITAL EXPENDITURE FOR PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

The table below shows the Group's capital expenditure for property, plant and equipment and capital work-in-progress for each of the years ended 31 December 2020, 2021 and 2022.

	Year ended 31 December		
	2020	2021	2022
	(BD million)		
Bapco.....	444.8	404.3	355.8
Banagas.....	3.7	3.7	2.9
Tawseah.....	1.8	0.1	0.2
BacJet .....	1.1	1.3	1.4
The Oil & Gas Holding Company B.S.C. (c) .....	184.3	216.7	197.8
<b>Total.....</b>	<b>635.7</b>	<b>626.1</b>	<b>558.1</b>

For the year ended 31 December 2022, the Group incurred capital expenditure for property, plant and equipment and capital work-in-progress of BD485.9 million (U.S.\$1,292.3 million) compared to BD546.1 million (U.S.\$1,452.4 million) for the year ended 31 December 2021 and BD635.7 million (U.S.\$1,690.7 million) for the year ended 31 December 2020. The Group's capital expenditure is predominantly in connection with the

implementation of the Group’s projects, particularly the Bapco Modernisation Programme and the Bahrain Field Oil and Gas Development and Expansion Programme.

## CAPITAL AND INVESTMENT COMMITMENTS

The Group’s committed capital and investment expenditure reflects amounts which it is contractually committed to spend in future years and includes the Group’s proportional share of the commitments of its equity accounted entities. The Group expects that its committed capital and investment commitments will rise in the short to medium term, including as a result of existing and any new projects, such as the Bapco Modernisation Programme and the Bahrain Field Oil and Gas Development and Expansion Project (please see “*Description of the Group—Subsidiaries, Associates and Joint Operations—Subsidiaries—Bapco—Bapco Modernisation Programme*” and “*Description of the Group—Subsidiaries—Tatweer—Bahrain Field Oil and Gas Development and Expansion Programme*”).

As at 31 December 2022, the Group had committed capital and investment expenditure of U.S.\$11.5 billion. The table below shows the Group’s committed capital and investment expenditure as at 31 December 2022.

	<b>31 December 2022</b> <b>(U.S.\$ billion)</b>
Bapco – Bapco Modernisation Project .....	7.3
Tatweer - Bahrain Field Oil and Gas Development and Expansion Programme .....	4.2
<b>Total</b> .....	<b>11.5</b>

The timing and amount of capital and investment expenditure is highly dependent on market conditions, the progress of projects, new opportunities that may arise and a range of other factors outside the control of the Group. The Group expects to fund its future capital and investment expenditure requirements principally through operating cash flow, borrowing from third parties (including through the issue of securities) and selective asset monetisation.

## CONTINGENT LIABILITIES

As part of certain agreements, a contingent liability of BD72,708 thousand is to be paid to the supplier if certain agreements are cancelled by the Group before the end of the agreed terms. These agreements pertain to leases on equipment used with the Bahrain Field.

The Group has contingent asset liabilities concerning certain disputed matters, including claims by and against contractors and lawsuits and arbitrations involving various issues. These contingencies arise in the ordinary course of business. It is not anticipated that any material adjustments will result from these contingencies.

## LIQUIDITY AND CASH FLOW

### Liquidity

Historically, the Group’s principal uses of cash have been to service its debt obligations and pay dividends to the Government, as well as funding capital expenditure requirements of its portfolio companies. The Group has funded these requirements from cash flows from distributions by the portfolio companies as well as from debt financing.

As at 31 December 2022, the Group had cash and bank balances of BD648.2 million (U.S.\$1,723.9 million). The Group expects that its future funding needs will increase in order to fund its planned capital expenditures that are in excess of U.S.\$11.5 billion through the end of 2026, a portion of which has already been funded through the BMP Project Financing. Accordingly, the Group expects that a substantial portion of its existing liquidity will be utilised for its planned capital expenditure in 2023 and it will continue to require additional funding. Such funding will likely include a mix of debt issuance by the Company and borrowing by its portfolio companies, which are generally expected to be non-recourse to the Company. Borrowings may take the form of additional borrowings from banks and/or capital market debt financings. The Group expects to manage its cash needs going forward through carefully managing repayment schedules to align with expected returns from its capital expenditure programme and maintaining sufficient cash on hand for its debt service obligations.

## Cash flow

The table below summarises the Group's cash flow from operating activities, investing activities and financing activities for the years ended 31 December 2020, 2021 and 2022.

	Year ended 31 December		
	2020	2021 <i>(Reclassified)</i> <b>(BD'000)</b>	2022
Net cash flows from operating activities.....	256,739	432,325	702,692
Net cash flows used in investing activities .....	(636,967)	(552,480)	(468,047)
Net cash flows (used in)/generated from financing activities.....	167,496	366,968	(103,212)
<b>Net change in cash and bank balances</b> .....	<b>(212,732)</b>	<b>246,813</b>	131,433
Cash and bank balances as at 1 January.....	482,720	269,988	516,801
<b>Cash and bank balances as at 31 December</b> .....	<b>269,988</b>	<b>516,801</b>	648,234

### *Cash from operating activities*

For the year ended 31 December 2022, net cash from operating activities was BD702.7 million (U.S.\$1,868.9 million) compared to BD432.3 million (U.S.\$1,149.7 million) for the year ended 31 December 2021 and BD256.7 million (U.S.\$682.7 million) for the year ended 31 December 2020.

The BD270.4 million (U.S.\$719.1 million), or 62.5 per cent., increase in net cash from operating activities in 2022 compared to 2021. The increase principally reflected an increase in the Company's net profit before tax for the year as well as changes in the Company's working capital.

The BD175.6 million (U.S.\$467.0 million), or 68.4 per cent., increase in net cash from operating activities in 2021 compared to 2020 principally reflected an increase in the Company's net profit before tax for the year as well as changes in the Company's working capital due to an inflow with respect to trade and other payables.

### *Cash used in investing activities*

For the year ended 31 December 2022, net cash used in investing activities was BD468 million (U.S.\$1,244.7 million) compared to BD552.5 million (U.S.\$1,469.4 million) for the year ended 31 December 2021 and BD637.0 million (U.S.\$1,694.1 million) for the year ended 31 December 2020.

In 2022, the BD84.5 million (U.S.\$224.7 million), or 15.3 per cent., decrease in net cash used in investing activities compared to 2021 was largely due to comparatively lower additions to capital work-in-progress and the receipt of dividends from associated finance income as a result of robust performance and favourable interest rates. This is largely due to the receipt of dividends from finance income due to robust performance and favourable interest rates.

In 2021, the BD84.5 million (U.S.\$224.7 million), or 13.3 per cent. decrease in net cash used in investing activities compared to 2020 comprised additions to capital work-in-progress.

### *Cash from financing activities*

For the year ended 31 December 2022, net cash used in financing activities was BD103.2 million (U.S.\$274.5 million) compared to net cash generated from financing activities of BD367.0 million (U.S.\$976.1 million) for the year ended 31 December 2021 (derived from the unaudited comparative information included in the 2022 Financial Statements) and BD167.5 million (U.S.\$445.5 million) for the year ended 31 December 2020.

In 2022, the BD470 million (U.S.\$1,250 million), or 128 per cent. decrease in net cash from financing activities principally reflected the decrease in the proceeds from borrowings.

In 2021, the BD199.5 million (U.S.\$530.5 million), or 119.1 per cent. increase in net cash from financing activities principally reflected proceeds from borrowings, namely a drawdown by the Company under its Trust Certificate Issuance and Global Medium Term Note Issuance programmes and the upsizing of the Facilities (as defined below).

## Dividends from portfolio companies

The table below summarises the dividends paid to the Company by its portfolio companies in the years ended 31 December 2020, 2021 and 2022.

	Year ended 31 December		
	2020	2021	2022
	(U.S.\$ million)		
GPIC.....	3.0	31.6	82.2
Trident.....	—	—	1.2
Banagas/Tawseah.....	11.8	3.7	22.7
SBPC.....	62.2	21.3	18.7
<b>Total</b> .....	<b>77.0</b>	<b>56.6</b>	<b>124.8</b>

## INDEBTEDNESS

As at 31 December 2022, the Group had borrowings of BD3,097.2 million (U.S.\$8,237.2 million). The table below summarises the Group's material outstanding borrowings as at 31 December 2022.

	31 December 2022 (U.S.\$) <sup>(1)</sup>
Murabaha facility.....	2,205,851
Listed term bonds.....	2,255,984
Commercial and Islamic facilities.....	1,160,596
BMP project borrowings.....	2,987,835
Interest payable on borrowings.....	106,120
Unamortised transaction cost.....	(479,128)
<b>Total borrowings</b> .....	<b>8,237,258</b>
Current portion.....	426,976
Non-current portion.....	7,810,282

### Notes:

(1) Using the fixed conversion rate of BD0.376 = U.S.\$1.00.

Bahrain LNG, an associate of the Company, also had outstanding debt of U.S.\$547.0 million as at 31 December 2022.

The table below summarises certain indebtedness of the Company currently outstanding.

	Size (U.S.\$ million)	Issue date	Maturity date	Interest / profit rate basis
Facilities (as defined below).....				SOFR plus a credit adjustment spread and a 2.10% margin
U.S.\$600,000,000 Trust Certificates due 2029 ..	2,200	2022	2026	
U.S.\$1,000,000,000 Notes due 2027 ..	600	2021	2029	5.25%
U.S.\$1,000,000,000 Notes due 2027 ..	1,000	2017	2027	7.50%
U.S.\$500,000,000 Notes due 2028 ..	500	2018	2028	8.38%
U.S.\$500,000,000 Notes due 2024 ..	500	2018	2024	7.63%
	250	2021		
SACE Facility.....	300	2022	2032	SOFR plus a 1.75% margin
<b>Total</b> .....	<b>5,350</b>	—	—	—

## Sustainability linked facility agreements

On 11 May 2022, the Company entered into sustainability linked conventional and Islamic facilities with a syndicate of lenders and arranged by Gulf International Bank (B.S.C.) and Mashreqbank psc (the "Facilities"). The aggregate size of the Facilities is U.S.\$2.2 billion. As at the date of these Base Listing Particulars, the Facilities have been fully drawn, with the Facilities being used to settle the pre-existing *Murabaha Shari'a* compliant Islamic facilities entered into on 25 September 2019 and amended and restated by a master amendment and restatement deed dated 11 July 2021 with a consortium of banks through Gulf International Bank (B.S.C.) acting as the investment agent. The Facilities are repayable as a bullet payment on 30 September 2026 at an interest / profit rate of 2.1 per cent. plus 90 days credit adjustment spread and based on overnight SOFR.



The Facilities include a number of information covenants, positive covenants, negative covenants and events of default, which are customary for financings of this nature. The Facilities were also the Company's first sustainability-linked corporate financing facilities, utilising sustainability linked key performance indicators ("KPIs") related to greenhouse gas ("GHG") emissions reduction as well as safety measures, including lost-time injury frequency rate.

#### ***Additional Company facilities***

On 22 December 2022, the Company signed a syndicated U.S.\$200 million uncommitted revolving credit (Murabaha) facility led by Albaraka Islamic Bank with participation from Khaleeji Commercial Bank, Bahrain Islamic Bank and the National Bank of Kuwait. The facility is to be utilised for general corporate purposes and has a tenor of five years with the option to renew for an additional year subject to lender approval. The rate of interest payable by the Company to the lenders is term SOFR plus a 2 per cent. margin per annum on the utilised amount.

On 14 October 2022, the Company signed a U.S.\$300m push facility with the Italian Export Credit Agency (SACE) (the "SACE Facility"). The facility is to be used for general corporate purposes and will have a tenor of 10 years comprising (i) a 12-month availability period, followed by (ii) a 12-month grace period (principal repayment moratorium) and (iii) an eight-year repayment period comprising 16 equal and consecutive semi-annual instalments. The rate of interest payable by the Company to the lenders will be SOFR plus a 1.75 per cent. margin payable semi-annually. The facility will benefit from a SACE guarantee covering 80 per cent. of the principal and interest amounts due under the facility. In addition, the SACE Facility contains a covenant requiring the Group to maintain available cash of at least U.S.\$200,000,000 for the life of the SACE Facility.

In addition, the Company has signed an uncommitted overdraft facility with the National Bank of Bahrain amounting to up to BD25 million for general corporate purposes. The tenor of the facility is one year and renewable on an annual basis on the mutual agreement of the parties. The interest rate payable on utilised funds is 1.5 per cent. per annum over the one month Bahrain Interbank Offered Rate.

#### ***Bahrain LNG Import Terminal financing***

On 15 November 2016, Bahrain LNG signed two facility agreements, both of which are governed by a common terms agreement (CTA).

A financing agreement for the amount of U.S.\$581.85 million (BD219.6 million) was signed by Bahrain LNG with the Korea Development Bank of South Korea, Standard Chartered Bank and various international lenders, whereby Bahrain LNG would receive export credit agency-covered lending for the purpose of the Bahrain LNG Import Terminal project. The principal amount drawn down under the facility is repayable over 36 semi-annual instalments, starting 14 February 2020 with the last instalment due on 15 November 2036. Interest was payable on a monthly basis prior to the project's commercial start date on 30 November 2019 and now payable on a semi-annual basis following this date, in each case calculated using a floating rate and a margin. As of 31 December 2022, Bahrain LNG had drawn down U.S.\$562.7 million (BD211.6 million) under the export credit agency-backed facility. Since the commercial start date, Bahrain LNG has made six semi-annual repayments to this facility and the balance as of 31 December 2022 is U.S.\$491.5 million (BD184.9 million).

A commercial facilities agreement for an amount of U.S.\$159.26 million (BD59.9 million) was signed with Standard Chartered Bank and various national and international lenders. The commercial facilities agreement consists of two facilities, a commercial bank facility in the amount of U.S.\$145.5 million (BD54.7 million) and a separate contingent facility in the amount of U.S.\$13.8 million (BD5.2 million).

The commercial bank facility shares the same debt repayment profile as the export credit agency-backed facility. The repayment of the contingent facility is on a cash sweep basis, with 75 per cent. of excess cash flow being applied towards repayment of the contingent facility. As of 31 December 2022, the actual drawn down amount was U.S.\$140.7 million (BD52.9 million) under the commercial bank facility and U.S.\$13.8 million (BD5.2 million) under the contingent facility. Since the commercial start date, Bahrain LNG has made six semi-annual repayments under this facility and the balance as of 31 December 2022 in respect of the commercial bank facility and contingent facility is U.S.\$122.9 million (BD46.2 million) while the contingent facility has been fully repaid via a cash sweep mechanism.

The common terms agreement for these facilities include a number of positive covenants, negative covenants and events of default, none of which are unusual for financings of this type.

### ***Banagas Expansion financing***

During 2020, Tawseah obtained long term borrowing (conventional and Islamic facilities) with a facility limit of BD193.6 million (U.S.\$515 million) denominated in U.S. dollars, from a consortium of international and local banks, with Gulf International Bank B.S.C. acting as a facility agent, to refinance its existing conventional and Islamic facilities obtained in order to finance the construction and commissioning of the processing of hydrocarbon liquids and regasification facilities and related infrastructure of Tawseah, which was completed in 2018. In March 2021, Tawseah upsized the facilities by an additional amount of BD50.8 million (U.S.\$135 million). The total facilities amount of BD244.4 million (U.S.\$650 million) is repayable in 19 semi-annual instalments with four semi-annual repayments made as at the date of the Base Listing Particulars. The facility is not secured and non-recourse and the last instalment is repayable on 30 June 2030. As approved by the Company's shareholder representative, the Company has transitioned and repriced this facility from LIBOR plus a margin of 2.9 per cent. to SOFR plus a margin of 2.4 per cent. effective 29 December 2022 with no credit adjustment spread.

Tawseah entered into an interest rate swap to hedge interest payments on its floating rate borrowings. These have been classified as cash flow hedges. The fair value of the derivative financial instruments resulted in a fair value gain in the statement of comprehensive income amounting to BD23.3 million (U.S.\$62.0 million) for the year ended 31 December 2022 and has been recorded in its cash flow hedge reserve. The maturity date of the interest rate swap is 30 June 2030. On 9 February 2023, a new hedging agreement was entered into in order to transition the underlying interest rate being hedged from LIBOR to SOFR, with the transition effective from 29 December 2022.

The conventional and Islamic facilities include a number of positive covenants, negative covenants and events of default, which are customary for financings of this nature.

### ***BMP Project Financing***

In order to finance the Bapco Modernisation Programme, Bapco entered into project debt financing facilities agreements on 20 December 2018 amounting to an aggregate of U.S.\$4.1 billion (BD1.5 billion), denominated in U.S. dollars (the "**BMP Project Financing**"). Financial close of the BMP Project Financing took place on 9 May 2019. As at 31 December 2022, approximately U.S.\$2.9 billion (BD1.1 billion) had been utilised under the BMP Project Financing facilities.

The BMP Project Financing facilities comprise:

- five "ECA-covered" conventional loan facilities provided by regional and international commercial lenders and supported by various export credit agencies;
- one conventional commercial loan facility provided by regional and international commercial lenders on an "uncovered" basis; and
- a *Shari'a*-compliant financing facility, structured as an Istisna-Ijara, provided by regional Islamic financial institutions.

The BMP Project Financing is structured as a limited recourse project financing relying solely on Bapco's cashflow generation for repayment of the debt, and can only be utilised for Bapco Modernisation Programme project-related payments. The BMP Project Financing does not provide recourse to the Company in respect of Bapco's obligations, except in very limited circumstances. The BMP Project Financing facilities are secured by Bapco's assets and agreements, which are assigned to offshore and onshore security agents. In addition, the Company has provided guarantees with respect to negative domestic pricing changes in certain circumstances.

The BMP Project Financing permits Bapco to enter into unsecured working capital facilities, provided that the aggregate amount of working capital facilities, finance and capital leases and any permitted factoring arrangements does not exceed U.S.\$450 million.

The BMP Project Financing facilities are repayable in 25 semi-annual instalments, with the first instalment paid on 27 April 2023. The BMP Project Financing facilities include floating rate and fixed rate facilities which carry interest of six month LIBOR plus a spread ranging between 0.90 per cent. to 2.90 per cent. per annum and a fixed rate of 4.04 per cent. per annum, respectively. The interest rate basis of the BMP Project Financing is in the process of being amended from LIBOR to SOFR.

The terms of the BMP Project Financing also permit Bapco to hedge up to 100 per cent. of its floating rate debt relating to the Bapco Modernisation Programme in order to mitigate the risk of higher interest rate costs impacting Bapco's cash flow and overall profitability. Bapco has entered into a floating-to-fixed swap arrangement, for which the accrual and amortising cash flow schedule matches the drawdown and repayment schedule of the BMP Project Financing for more than 80 per cent. of the underlying notional amount.

#### ***Listed term bonds***

On 12 October 2017, the Company established the U.S.\$3,000,000,000 Global Medium Term Note Programme. On 18 October 2017, the Company completed its debut issuance of U.S.\$1,000,000,000 7.500 per cent. Notes due 2027 under the Programme. The principal amount of these Notes is repayable as a bullet payment on 18 October 2027.

On 27 April 2018, the Company updated the U.S.\$3,000,000,000 Global Medium Term Note Programme, followed by a supplement to the base prospectus dated 24 October 2018. On 7 November 2018, the Company completed the issuance of U.S.\$500,000,000 7.625 per cent. Notes due 2024 and U.S.\$500,000,000 8.375 per cent. Notes due 2028 under the Programme. The principal amount of these Notes is repayable as a bullet payment on 7 November 2024 and 7 November 2028, respectively. On 1 February 2021, the Company completed the issuance of U.S.\$250,000,000 7.625 per cent. Notes due 2024 (which were consolidated and formed a single series with the Company's existing U.S.\$500,000,000 7.625 per cent. Notes due 2024 issued on 7 November 2018).

On 30 March 2021, the Company updated the U.S.\$3,000,000,000 Global Medium Term Note Programme and established a U.S.\$3,000,000,000 Trust Certificate Issuance Programme. On 8 April 2021, the Company completed the issuance of U.S.\$600,000,000 Trust Certificates due 2029, carrying a profit rate of 5.25 per cent.

Summary information in relation to these and the Group's other borrowings is set out in Note 19 to the 2022 Financial Statements. As at 31 December 2022, the aggregate undrawn committed funds available to the Group under its banking facilities was approximately BD423.6 million (U.S.\$1,126.5 million).

## DESCRIPTION OF THE GROUP

### OVERVIEW

The Company was established by the Government pursuant to Royal Decree No. 77 for the year of 2007, promulgated on 10 August 2007. The Company was established as the strategic investment holding company of NOGA, which was formed in 2005 out of the structural reform of Bahrain's oil and gas industry, and was entrusted with the responsibilities of the former Supreme Oil Council, the former Gas Committee and the former Ministry of Oil. NOGA was a political body responsible for protecting the oil and gas assets of the Government by acting as the oil and gas industry regulator, and proposing and implementing Government policy. In September 2021, NOGA was abolished and its functions were transferred to the Ministry of Oil and Environment pursuant to Royal Decree No. 99 of 2021.

The Company plays a fundamental role in the execution of the strategic plans of the Government and stewardship of the Government's long-term investment in oil, gas and petrochemical assets. The Company is wholly-owned by the Government and invests in various oil and gas companies that operate in Bahrain and in which the Government has a strategic interest, with a mandate to fulfil Bahrain's growing demand for energy and provide necessary funds from oil and gas revenues towards the achievement of Vision 2030.

The Government appoints all members of the Company's board of directors and the Government consequently has substantial representation in the management of the Company. The deputy chairman of the Company's board of directors, H.E. Shaikh Salman bin Khalifa Al Khalifa, is the Minister of Finance and National Economy for Bahrain and the managing director of the Company, Dr. Mohamed bin Mubarak Bin Daina, currently serves as the Minister of Oil and Environment.

The Company's strategy is to be a long-term strategic investor and it held investments in 15 companies as at 31 December 2022, all of which are involved in the oil and gas supply chain in Bahrain.

For the year ended 31 December 2022, the Group's revenue was BD4,157.1 million (U.S.\$11,056.1 million) (compared to BD2,779.1 million (U.S.\$7,391.2 million) (derived from the unaudited comparative information included in the 2022 Financial Statements) for the year ended 31 December 2021 and BD1,643.4 million (U.S.\$4,370.7 million) for the year ended 31 December 2020, equating to a compound annual growth rate of 59 per cent. between 2020 and 2022) and its total comprehensive income for the year ended 31 December 2022 was BD673.7 million (U.S.\$1,791.7 million) (compared to BD253.4 million (U.S.\$673.9 million) for the year ended 31 December 2021 and total comprehensive loss of BD133.4 million (U.S.\$354.8 million) for the year ended 31 December 2020).

As of 31 December 2022, the Group's total assets were BD5,950.8 million (U.S.\$15,826.6 million) (compared to BD5,124.7 million (U.S.\$13,629.4 million) as at 31 December 2021 and BD4,055.8 million (U.S.\$10,786.6 million) as at 31 December 2020).

The Company's principal revenue generating activity is the sale of refined oil products produced by its wholly-owned subsidiary Bapco (see further "*—Subsidiaries, Associates and Joint Operations—Subsidiaries—Bapco*"). The Group's international and domestic revenues from the sale of refined oil products accounted for 92.4 per cent., 86.8 per cent. and 91.3 per cent. of the Group's total revenue in each of the years ended 2020, 2021 and 2022, respectively.

The Company also received significant revenues from the sale of propane, butane and naphtha produced by Banagas, its wholly-owned subsidiary Tawseah and (since 2021) Bapco (see further "*—Subsidiaries, Associates and Joint Operations—Subsidiaries—Banagas and Tawseah*"). The Group's revenue from the sale of these gas products accounted for 5.2 per cent., 18.4 per cent. and 15.2 per cent. of the Group's total revenue in each of the years ended 31 December 2020, 2021 and 2022, respectively. The sale of lubricant base oils is produced by Bahrain Lube, a joint operation between the Company and Bapco. The Group's revenue from the sale of lube base oils accounted for 2.5 per cent., 2.6 per cent. and 3.3 per cent. of the Group's total revenue in each of the years ended 31 December 2020, 2021 and 2022, respectively.

The Company (through the operations of its portfolio companies) is currently involved in the development of a number of strategic projects in order to diversify, strengthen and expand its current operations and fulfil the mandate given to it by the Government. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview*".

The Group's capital and investment expenditures include, in addition to the projects set out above, investments in subsidiaries, jointly controlled entities, joint operations, associates and other investments, acquisitions of property, plant and equipment and in intangible and other assets. The Group anticipates that it will continue to incur capital and investment expenditures in future years. As at 31 December 2022, the Group's committed capital and investment expenditure was U.S.\$11.2 billion. See "*Management's discussion and analysis of financial condition and results of operations—Capital and investment commitments*". The Company has been assigned a rating of B+ with a stable outlook by Fitch Ratings. This is the same rating given by Fitch Ratings to the Bahrain sovereign and reflects the Group's strong strategic relationship with the Government.

## HISTORY

**2005:** NOGA was formed in 2005 out of the structural reform of Bahrain's oil and gas industry, and was entrusted with the responsibilities of the former Supreme Oil Council, the former Gas Committee and the former Ministry of Oil. NOGA is a political body responsible for protecting the oil and gas assets of the Government by acting as the oil and gas industry regulator, and proposing and implementing Government policy.

**2007:** The Company was established by the Government as a Bahraini closed shareholding company pursuant to Royal Decree No. 77 for the year of 2007, promulgated on 10 August 2007. The Government established the Company as a dedicated long-term investment and development company to hold and manage the Government's oil and gas investments. Accordingly, following its establishment, certain projects being carried on under the auspices of the Government were transferred to the Company. At the time the Company was established, the Government's ownership interests in four companies which were previously held directly by the Government—Bapco, Banagas, GPIC and BAFCO—were transferred to the Company. Bapco also completed a U.S.\$700 million low sulphur diesel production project at its Sitra Refinery, which involved the installation of a 60,000 bpd HVGO hydrocracker and revamp of a mild hydrocracker to a low sulphur diesel hydrotreater, allowing the Sitra Refinery to produce 100 per cent. of its diesel production as ultralow sulphur diesel. The project formed part of the Bapco Strategic Investment Programme.

**2008:** Two compressor stations and the processing train adjacent to the Banagas production facilities constructed in 1988 and two further compressor stations, constructed in 2003 and 2013, respectively, were transferred from the Government to Tawseah, which was incorporated as a wholly-owned subsidiary of the Company.

**2009:** In order to streamline the operations of Bapco and benefit from the introduction of third-party technology and expertise, the responsibility for the stewardship and revitalisation of the Bahrain Field was transferred to Tatweer, a joint venture in which the Company owned 51 per cent., Occidental owned 29 per cent. and MDC owned 20 per cent. Bahrain Lube was also added to the Company's investment portfolio in 2009 as a joint operation with Bapco and Nesté Bahrain in order to utilise unconverted oil and hydrogen gas provided by the Sitra Refinery to produce lubricant base oils. Bapco also completed a U.S.\$140 million gas desulphurisation project at its Sitra Refinery. The project formed part of the Bapco Strategic Investment Programme.

**2010:** As part of its strategy to grow and diversify its portfolio, the Company purchased a 35 per cent. shareholding in Skaugen in 2010, a transportation company which transported petrochemical gases, mainly from Saudi Arabia to the Far East.

**2011:** As part of the Bapco Strategic Investment Programme, a U.S.\$430 million lube base oil plant construction project was completed, allowing for the annual production of up to 400,000 tonnes of Group III lubricant base oils.

**2013:** As part of the Bapco Strategic Investment Programme, a U.S.\$120 million wastewater treatment plant was completed.

**2015:** In order to provide Bahrain with the necessary security of supply of natural gas for power intensive industry projects, power generation, as well as water and enhanced oil recovery in the Kingdom, Bahrain LNG was incorporated as a joint venture with Teekay LNG Operating LLC, Gulf Investment Corporation ("**GIC**") and Sam Gulf Investment Limited in 2015 with the mandate to develop the Bahrain LNG Import Terminal. The Company also entered into a joint venture with Petrochemical Industries Company K.S.C ("**PIC**") for the incorporation of Aromatics Petchem and the development of an aromatics production complex to off-take the low value naphtha from the Sitra Refinery for conversion into high-value petrochemicals.

**2016:** As part of a wider effort to improve the performance of BAFCO and to transfer ownership of important jet refuelling infrastructure at Bahrain International Airport to the Government, the Company entered into a joint

venture with Bahrain Airport Company S.P.C. (“BAC”) for the formation of BJFCO. The Company also established BGB as a joint venture with Bapco and Greenergy in order to develop new dedicated blending facilities in Bahrain that will allow it to process a wide variety of gasoline components. The Company also acquired 100 per cent. ownership of Tatweer, acquiring the interests of its previous joint venture partners.

**2017:** Saudi Bahrain Pipeline Company S.P.C. (“SBPC”) was incorporated in 2017 to own the Bahraini section of the New AB4 Pipeline. See “—*Subsidiaries, Associates and Joint Operations—Saudi Bahrain Pipeline—New AB4 Pipeline*”. The Company also exited its investment in Skaugen, selling its ownership interest to Sonoma LLC. Schmidt was incorporated as a joint venture with Schmidt Middle East Logistics JLT to develop a logistics hub for the storage, handling and distribution of different bulk chemical materials. The responsibility for oil and gas exploration was transferred to Tatweer in July 2017 (see “*Description of the Group—Subsidiaries—Tatweer—Bahrain Field Oil and Gas Development and Expansion Programme*”).

**2018:** Bapco embarked on the Bapco Modernisation Programme in 2018, which is a major expansion and upgrade project of the Bahrain Refinery with a view to increase refining capacity, enhance the product slate, improve the energy efficiency, and position Bapco as one of the most competitive and environmentally compliant refineries in the region. In addition to the foregoing, the New AB4 Pipeline was commissioned on 3 October 2018. See “—*Subsidiaries, Associates and Joint Operations—Saudi Bahrain Pipeline—New AB4 Pipeline*”. On 4 April 2018, NOGA announced a discovery of oil and gas resources in Bahrain, comprising: (i) unconventional oil resources within the Khalij Al-Bahrain Basin encompassing areas both offshore and onshore Bahrain, close to a fully-operational oil field and with potential for substantial cost optimisation; and (ii) significant gas reserves in two accumulations below Bahrain’s main gas reservoir. The Group completed the Bahrain Gas Plant Project in October 2018, to further increase gas processing capacity within Bahrain for the production of marketable natural gas liquids. In November 2018, the construction and commissioning of the Bahrain Gas Plant Project was completed by Tawseah (see “*Description of the Group—Subsidiaries, Associates and Joint Operations—Subsidiaries—Banagas and Tawseah—Bahrain Gas Plant Project*”).

**2019:** The financial close of the Bapco Modernisation Programme was achieved and Bapco’s cash-call mechanism with the Government was ceased. The Government transferred its interest in Asry, which was held by it through Mumtalakat, to the Company. The Bahrain LNG Import Terminal joint venture project was completed and commissioned in December 2019. The project comprises an offshore receiving and regasification facility, gas pipeline and onshore gas receiving facility. Decree No. 40 for the year 2019 was also passed, which reorganised the board of directors to its current composition, with such individuals nominated by His Majesty King Hamad bin Isa Al Khalifa.

**2020:** BRC commissioned three new service stations. Tawseah successfully refinanced its conventional and Islamic facilities originally obtained in the context of the Bahrain Gas Plant Project. See “*Management’s discussion and analysis of financial condition and results of operations of the Group—Borrowings*”.

**2021:** In September 2021, NOGA was abolished and its functions were transferred to the Ministry of Oil and Environment pursuant to Royal Decree No. 99 of 2021. In addition, due to a regional reorganisation and effective from July 2021, Schmidt ME Logistics Co W.L.L sold 204 shares (a 51 per cent. ownership interest) in Trident Logistics (formerly Schmidt Logistics Bahrain W.L.L) to Trident Warehouse Bahrain W.L.L.

**2022:** During 2022, the Company entered into a number of financings and refinancings including: (i) U.S.\$2.2 billion sustainability linked conventional and Islamic facilities with a syndicate of lenders entered into on 11 May 2022; (ii) a U.S.\$300m push facility with the Italian Export Credit Agency (SACE) entered into on 14 October 2022; and (iii) a U.S.\$200 million uncommitted revolving credit (Murabaha) facility with a syndicate of lenders entered into on 22 December 2022. The Company also established an environmental, social and governance (“ESG”) working group committee to, among other things, establish a sustainability linked financing framework and a transition linked financing framework.

## **STRENGTHS**

The Company believes that it has the following key strengths:

### ***Critical role within the Bahrain economy***

The Company has a critical economic and policy role within the Bahrain economy in meeting the needs of Bahrain’s industrial growth and increasing revenues for the Government, its sole shareholder, and has a focused mandate from the Government to invest in energy and energy-related industries strongly linked to Bahrain’s core

hydrocarbon-based economy. Government revenues remain significantly dependent on hydrocarbon revenues, with actual revenue from oil and gas production amounting to approximately 69.4 per cent., 68.2 per cent. and 59.2 per cent. of public revenue for the years ended 31 December 2022, 2021, and 2020, respectively.

In the execution of this mandate, the Company and its portfolio companies are currently involved in a number of strategic projects that revolve around managing and optimising the use of oil and gas resources within Bahrain to increase profitability, as well as to ensure that heavy industries within Bahrain are able to compete on an international scale.

These projects include the Bapco Modernisation Programme, which is being carried out by Bapco in order to improve the production and profitability of the Sitra Refinery, and the Bahrain Field Oil and Gas Development and Expansion Programme, which is being carried out by Tatweer in order to increase onshore oil and gas production capacity across a number of oil and gas fields. Similarly, the recent completion of the New AB4 Pipeline, the Bahrain Gas Plant Project and the Bahrain LNG Import Terminal are expected to form a key part of the energy infrastructure of Bahrain and aim to give Bahrain the security of supply that it needs to meet its growth in demand for natural gas to fuel industrial projects, generate power and water, and procure internationally-traded LNG on a competitive basis. Additionally, Tatweer is involved in the continuing development of the Bahrain Field where it continues to undertake drilling and maintenance work in order to enhance production from the Bahrain Field.

### ***Close relationship with the Government and strong Government support***

The Company is wholly-owned by the Government. The Company plays a fundamental role in the execution of the strategic plans of the Government and stewardship of the Government's long-term investments in oil, gas and petrochemical assets. In addition, the Company invests in various oil and gas companies that operate in Bahrain and in which the Government has a strategic interest, with a mandate to fulfil Bahrain's growing demand for energy and provide necessary funds from oil and gas revenues towards the achievement of Vision 2030.

The Group also undertakes the marketing, on behalf of the Government, of Bahrain's share of the crude oil produced by the Abu Saa'fa oilfield. Bahrain's share in the Abu Saa'fa production amounted to around 148,769 bpd, 151,462 bpd and 149,998 bpd in 2020, 2021 and 2022, respectively, which comprised 100 per cent. of all Bahrain's crude oil exported internationally. Government revenue generated from Abu Saa'fa totalled just over U.S.\$5.5 billion in 2022. The Group receives a marketing fee from the Government for undertaking this service.

All of the Company's assets were initially contributed, in-kind, by the Government and the Group has historically benefitted from significant Government support in the form of subsidised Bahrain crude oil. Since 2018, the Government has been providing Bapco with a minimum of 38,700 barrels per day of Bahrain crude oil at a subsidised price of U.S.\$1 per barrel pursuant to the COSA. In each of the years ended 31 December 2020, 2021 and 2022, Bapco received 38,700 bpd of subsidised crude oil pursuant to the COSA.

Pursuant to the COSPA, Bapco has agreed to make payment of production costs of appropriately U.S.\$11 per barrel (indexed) in respect of the subsidised Bahrain crude oil. In the years ended 31 December 2020, 2021 and 2022 Bapco paid production costs in respect of this subsidised crude oil of U.S.\$11.557 per barrel, U.S.\$11.846 per barrel and U.S.\$12.142 per barrel, respectively, in accordance with the COSPA, resulting in Bapco receiving the subsidised crude oil at a cost of U.S.\$12.557 per barrel, U.S.\$12.846 per barrel and U.S.\$13.142 per barrel, respectively. This cost represented an average subsidy of U.S.\$29.036 per barrel, U.S.\$57.504 per barrel and U.S.\$87.996 per barrel in the years ended 31 December 2020, 2021 and 2022, respectively. In the event that Bahrain crude oil had been invoiced at market prices, the net profit of the Group for the year ended 31 December 2020, 2021 and 2022 would have been lower by BD157 million (U.S.\$418 million), BD306 million (U.S.\$813 million) and BD467 million (U.S.\$1,243 million), respectively.

### ***Integrated supply chain with security of supply***

The Company believes it has the proven ability to derive synergies by fostering partnerships among its portfolio companies, as well as deriving value for the Government and thereby Bahrain itself, with the Group's supply chain inter-connected in a number of ways.

Crude oil extracted by Tatweer from the Bahrain Field is supplied to Bapco for refining into refined products. The remaining crude oil feedstock originates from the New AB4 Pipeline from Saudi Arabia. The Khuff gas extracted from the Bahrain Field feeds into the gas distribution network, currently operated by Tatweer, which supplies various power plants and other energy intensive industries in Bahrain, as well as being provided to GPIC for

production of ammonia, methanol and urea for export. The Khuff gas extracted from the Bahrain Field is also used by Bapco in the production of hydrogen at the Sitra Refinery and for powering heaters in the Sitra Refinery. Associated gas extracted from the Bahrain Field by Tatweer is also distributed to Banagas and Tawseah, where such gas is processed to recover non-gas liquids (propane, butane and naphtha). Both Khuff gas and associated gas are also used by Tatweer to maintain the pressure of the Bahrain Field through gas injection.

Refined products from the Sitra Refinery are off-taken by certain portfolio companies, including Banagas and Tawseah in the form of refinery off-gas, which is compressed along with associated gas for the production of propane, butane and naphtha; BGB in the form of HCU light naphtha and mixed liquefied petroleum, which is then processed into finished grade gasoline; Bahrain Lube in the form of hydrocracker unconverted oil and hydrogen, which is then processed into lube base oil; and BAFCO, in the form of aviation fuel, which is used at Bahrain International Airport. Once complete, the aromatics production complex will also process naphtha from the Sitra Refinery in order to convert it into high value refined products paraxylene and benzene.

Residue gas resulting from the extraction of propane, butane and naphtha from associated gas and refinery off-gas is used as fuel for Banagas and Tawseah furnaces and gas turbines, with the rest being supplied to Alba, the EWA Riffa power station and distributed to Bapco for use in the Sitra Refinery as a fuel gas through the Gas Distribution Network operated by Tatweer.

Propane, butane and naphtha produced by Banagas and Tawseah, ammonia and methanol produced by GPIC, Lubricant Base Oils produced by Bahrain Lube and refined products produced by Bapco, are exported from Bapco's wharf at the Sitra port.

Since the completion of the Bahrain LNG Import Terminal, Bapco, together with other portfolio companies, including GPIC, are able to call upon natural gas feedstock from imported LNG to the extent required. The natural gas feedstock imported through the LNG Terminal feeds into the gas distribution network for use by power and water treatment plants.

As a result of this interconnectivity, through the operation of integrated downstream petrochemical manufacturing processes and the exploitation of available feedstock within the portfolio companies, the Company is able to realise a number of economies of scale and cost savings, as well as security of feedstock supply. This provides the Company with a significant advantage over its competitors who rely on external resources for feedstock supply, as it is able to source a number of its key feedstocks from within the portfolio companies. Additionally, the Company seeks out opportunities that allow it to apply the expertise, knowledge and technology of its portfolio companies for the benefit of the broader Group by fostering a culture of knowledge sharing and cooperation among its portfolio companies. Correspondingly, companies within the Group are able to benefit from the Company's unique pipeline of strategic growth and investment opportunities and contact networks. The Company believes that it is well positioned to continue to identify attractive investment opportunities and grow its existing business operations through its network of relationships and its relationship with the Government. The Company expects to continue to pursue strategic investment opportunities to further enhance the synergies across its business operations.

### ***Strong track record of strategic investment and growth***

The Company has sought to prudently invest to develop a large and diversified portfolio that, as at 31 December 2022, consisted of 15 companies operating across the hydrocarbon value chain and enhance the value of its investments.

Bapco completed a U.S.\$1.0 billion Strategic Investment Programme in 2014, where several new units were added to ensure continued profitability, including the upgrading of low-value fuel oil to more valuable low sulphur diesel and the production of Group III base oils. New processing facilities and environmental projects were also executed as part of this Strategic Investment Programme, including improvements to the wastewater treatment at the Sitra Refinery. In addition, through the current Bapco Modernisation Programme, the Company plans to add new core process units, such as a new integrated crude and vacuum unit, a new ebullated-bed residue hydrocracker, a second HVGO hydrocracker, a second ultra low sulphur diesel hydrotreater and several other process units and associated utilities. In addition, several old and inefficient process units will be mothballed and decommissioned, with a view to achieving a more energy efficient and environmentally compliant facility, as well as improving the product slate at the Sitra Refinery by upgrading the refinery residue, improving gross margins and thereby remaining competitive under a wider range of feedstock and product prices and market conditions.



Tatweer has increased annual crude oil and condensate production from an average of 11.7 million barrels in the year ended 31 December 2009 to an average of 14.4 million barrels in the year ended 31 December 2022 and increased associated gas supply from 285 mcf/d to 835 mcf/d in the same period. The increase in crude oil production has largely been achieved due to increasing gas injection with tight spacing in Bahrain reservoirs and fracturing tight shallow reservoirs. It has also increased due to more efficient and productive wells being drilled, including the utilisation of artificial lifts, the use of continuous well surveillance using real-time data from transmitters at the respective wells and facilities, and well intervention (where required), as well as the installation of gas compressors and fracking technology. The increase in associated gas supply is largely the result of the installation of new compressor stations and the opening high gas-oil ratio wells.

The Company continues to undertake strategic projects in order to enhance the value of its investments, including, amongst other things, the Bapco Modernisation Programme.

#### ***Experienced board of directors with senior Government involvement***

The Company benefits from an experienced board of directors comprised of senior members of the Government, the energy industry and the financial services industry. The deputy chairman of the board of directors, H.E. Shaikh Salman bin Khalifa Al Khalifa, is the Minister of Finance and National Economy for Bahrain and the managing director of the Company, Dr. Mohamed bin Mubarak Bin Daina, currently serves as the Minister of Oil and Environment. Decree No. 71 for the year 2021 reorganised the board of directors to its current composition, with such individuals nominated by His Majesty King Hamad bin Isa Al Khalifa. See “*Management and Employees—Management—Board of Directors*”.

#### ***Strong risk management culture***

The Company believes that it has a strong risk management culture. The Company has invested, and continues to invest, in improving its risk management procedures, with a dedicated Enterprise Risk and Business Continuity Management Corporate Committee which meets quarterly and which is comprised of the risk managers from each of its portfolio companies, together with senior members of management (see “*Management and Employees—Corporate Governance*”) and comprehensive risk management and business continuity policies. The Company’s policies for risk management and business continuity are endorsed by the deputy chairman of the board of directors, H.E. Shaikh Salman bin Khalifa Al Khalifa, the Minister of Finance and National Economy for Bahrain.

#### ***Strategic geographic location and proximity to markets***

The main operations of a number of portfolio companies, including Bapco, GPIC, Banagas and Tawseah, are in locations that provide the portfolio companies with advantages not available to other competing global producers, including the availability of suitable infrastructure to serve the operations of the portfolio companies and geographical proximity to feedstock and strategic positioning between the main export markets of Asia and Europe, as well as the Middle East and Africa. Exports are further facilitated by the ease of access to the industrial port facilities owned and operated by Bapco in Sitra.

#### ***Access to leading technology through its joint venture partners***

The Company has entered into joint ventures with leading international technology providers in the international petrochemicals industry, including Saudi Basic Industries Corporation (“**SABIC**”), PIC Kuwait, Chevron Bahrain, Greenergy, Schlumberger and BP Middle East Limited (“**BP Middle East**”) which has enabled the Company to access state-of-the-art technologies, including for technology improvements. In addition, memorandums of understanding have been signed with ENI (for preliminary evaluation of CO<sub>2</sub> capture and storage opportunities in Bahrain) and the Arab Petroleum Investments Corporation (“**APICORP**”) (to share experience and knowledge accumulated on ESG matters). These partners continue to significantly enhance the portfolio companies through the experience they bring as well as the technological contribution they make and the access they provide to international markets.

#### ***Operational and business excellence system***

In order to support its strategy to hold internationally-competitive assets, the Company has implemented an operational and business excellence system. The programme is supported by HSB Solomon Associates, the global leader in manufacturing benchmarking and performance management systems for the energy industries, and has three main elements:

- defined key manufacturing metrics, and required the portfolio operating companies to demonstrate the ability to provide accurate, timely and consistent performance data for each of the agreed metrics;
- established the baseline performance of each of the operating companies over time, and was used to quantify the cash value of performance gaps for each of the operating companies in relation to their global industry peers; and
- required each of the operating companies to propose performance improvement targets, and to develop/commit to action plans to support the delivery of the targets.

With this system, the Company's management has immediately-accessible information regarding the operational competitiveness of its portfolio companies and the contribution that competitiveness brings to financial performance, to identify areas of common opportunity, to exploit best practices that exist within individual operating companies, and ultimately to oversee, control and monitor the delivery of global performance excellence across the portfolio.

## **Strategy**

The Company's mandate from the Government is to fulfil Bahrain's growing demand for energy and provide necessary funds from oil and gas revenues towards the achievement of Vision 2030 goals. For more information on this economic strategy, see "*Overview of Bahrain—Vision 2030*". The Company implements the Government's vision for Bahrain, by way of its well-defined and focused strategy, approved and regularly reviewed by its board of directors.

### ***Increase oil and gas production***

The Company and its portfolio companies are focused on, and are currently involved in a number of major projects that revolve around, increased oil and gas production and refining capacity within the country in order to generate further revenues for its sole shareholder, the Government.

Tatweer is involved in the continuing development of the Bahrain Field, where it continues to undertake drilling and maintenance work in order to maintain production and reserves. The largest project currently being undertaken by the Group (which is also the largest undertaken in the Group's history) is the Bapco Modernisation Programme, which is being carried out by Bapco in order to improve refinery production and profitability. The Bahrain Gas Plant Project has been carried out by Banagas to further increase gas-processing capacity within Bahrain for the production of marketable natural gas liquids and increase the processing of refinery off-gas that will be supplied by Bapco.

Tatweer has made advancements in the appraisal of its tight gas reserves in the pre-Unayzah formations within the Bahrain Field. Peripheral Khuff wells have been deepened in order to obtain important geological and reservoir data confirming the extension of gas reserves beyond previously penetrated limits. Two dedicated pre-Unayzah wells have now been drilled, completed and are connected to the gas production networks. In addition, Tatweer drilled three additional wells in 2022 to appraise and develop the gas reserves in Jubah and Jauf reservoirs. Further, Tatweer is planning to drill seven additional pre-Unayzah wells throughout 2023. Please see "*Overview of Bahrain—Economy of Bahrain*" and "*Description of the Group—Subsidiaries—Tatweer—Oil and gas discovery*" for further information.

### ***Invest long-term in a commercial and profitable manner***

The Company is focused on making strategic investments that generate value for its sole shareholder, the Government. When making equity investments, the Company generally seeks to acquire controlling or significant minority stakes in companies that give it adequate governance rights and board representation. This allows the Company to provide strategic direction to its portfolio companies, influence dividend policies and realise synergies within the Group. The Company continues the planning of long-term, strategic, major investment that would address the Vision 2030 guiding principles of sustainability, competitiveness and fairness, including through the investment in companies that are of strategic importance to the oil and gas sector in Bahrain with long-term growth potential.

### ***Foster partnerships that complement the Company's existing portfolio and benefit Bahrain***

The Company seeks out opportunities that allow it to apply the expertise, knowledge and technology of its portfolio companies for the benefit of the broader Group by fostering a culture of knowledge sharing and cooperation among its portfolio companies. Correspondingly, companies within the Group are able to benefit from the Company's unique pipeline of strategic growth and investment opportunities and contact networks.

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

A core element of the Company's strategy is to enhance value at its existing portfolio companies, and within the Group more generally. The Company is an active shareholder and exerts its influence through its nominee directors appointed to the boards of its portfolio companies. Through this governance structure, the Company has supported significant value-enhancing initiatives across its business operations and portfolio of strategic investments, such as the projects described below, and expects to continue supporting such initiatives. One of the key objectives of the Bapco Modernisation Programme is to improve the product slate at the Sitra Refinery by upgrading the refinery residue, thereby improving gross margins and remaining competitive under a wider range of feedstock and product prices, as well as market conditions. Similarly, the Bahrain Gas Plant Project allows the Group to utilise the increased volume of associated gas available as a result of the continued exploration and development of the Bahrain Field, including through the drilling of 70 new Khuff gas wells and ten new oil wells in 2022 which have brought the total number of new wells drilled since 2010 to 1,535, including 34 Khuff gas wells.

To ensure the Company's nominee directors are properly equipped to execute their duties at the boards of companies, the Company takes proactive steps to train and educate its representatives, including those employees of portfolio companies who receive regular training.

Through the Company's investment policy and process, the Company sets out its strategic view of investment plans for its subsidiaries through the identification of short-term (0-3 years), medium-term (3-10 years) and long-term (10-20 years) expectations for its portfolio companies, with a primary focus being placed on medium-to-long-term investments which are capable of delivering sustainable growth.

### ***Contribute to the diversification of Bahrain's Economy***

Bahrain is committed to moving away from an economy built solely on oil wealth, and appropriate diversification is part of Vision 2030. Whilst the Company is responsible for oil and gas investment, it is currently implementing projects that move away from a traditional investment strategy that revolved around Bapco and the Sitra Refinery as part of a broader diversification strategy.

Many of the Company's projects interact and overlap with one another and have been undertaken in order to ensure continued investment in Bahrain and economic diversification. For growth to occur outside of the oil industry, for example by Alba, increased power and energy generation output is required. The Group is therefore focused on increased natural gas output to these industrial customers to ensure that heavy industries within Bahrain are able to compete on an international scale, with Tatweer's continuing development of the Bahrain Field. Meanwhile the Bapco Modernisation Programme aims to increase production of refined products that may be off-taken by portfolio companies within the Group as a feedstock for petrochemical manufacturing, including Aromatics Petchem, which is constructing an aromatics production complex to off-take the low value naphtha from the Sitra Refinery for conversion into high-value petrochemical products. See "*—Subsidiaries, Associates and Joint Operations—Joint Operations—Aromatics Petchem—Aromatics Complex*".

### ***Implementation of other key strategic priorities for Bahrain***

In addition to the increase in oil and gas production and appropriate diversification, the Company and its portfolio companies are also focused on projects in order to meet other strategic objectives of the Government. For example, the reorganisation and restructuring of the fuel farm complex and hydrant facilities at Bahrain International Airport revolve around the Government's decision to bring airport-based infrastructure under indirect Government ownership, through the restructuring of all into-plane fuel services currently being provided at Bahrain International Airport by BAFCO. See "*—Subsidiaries, Associates and Joint Operations—Joint Operations—BJFCO—Refuelling Infrastructure Project*".

### ***Further investments for growth of the portfolio***

The Company aims to continue to invest in line with the general strategic approach of the Government, particularly Vision 2030. The Company therefore plans to continue to increase strategic investments, while retaining its domestic focus, in particular within the gas sector in order to meet energy demands for power intensive Bahraini businesses. The Group intends to pursue limited recourse financings through its subsidiaries, in addition to direct financing obtained by the Company, for the major capital projects that it is currently undertaking.

The Company continuously evaluates opportunities for partial or complete exits of direct investments within its portfolio when it makes commercial sense to do so, and exited from its 35 per cent. interest in Skaugen in 2017. In certain strategic assets, the Company may continue to hold a majority interest for the foreseeable future. The Company may also increase its equity stake, when it considers it appropriate, as was the case with Tatweer in which the Company increased its equity stake from 51 per cent. to 100 per cent. in June 2016.

### ***Investment Process***

The Company adheres to investment policies which it believes are disciplined and prudent in order to develop its investment portfolio and enable the growth of other Bahraini industries and sectors. The principal components of the Company's investment policies are its strategy and its investment process. The investment process consists of the following phases:

- *Identification:* The Company identifies strategic objectives and targets that it believes will enhance the structure and value of its business operations and existing strategic investments. Such objectives and targets are focused on the pursuit of value-enhancing opportunities and the achievement of operational excellence. Key value drivers for potential investments include sales volume growth, contribution margins, operating expenses, strategic fit, investment for growth, investment to maintain existing assets, investment in working capital and the weighted average cost of capital.
- *Origination and Opportunity Sourcing:* Investment proposals considered by the Company may originate internally or be proposed to the Company by third parties, such as one of its portfolio companies, the Government, banks or potential investment partners. Investment proposals that originate internally may be sourced by the Company's senior management.
- *Screening and Preliminary Evaluation:* Each proposed investment is evaluated by the Company's board (or the board of the portfolio company in question) in light of the investment criteria and strategy described above to ensure that it is a strategic fit within the Group. The Company aspires to achieve a sustainable, above industry average, return on capital from its portfolio of investments, in order to ensure that its performance is in line with the expectation of the Government's national strategy. During this stage, the evaluators may discuss with the Company's (or portfolio companies') committees (including finance and audit-related committees) the capital structure for the proposed investment. Other considerations that are taken into account during initial evaluation include economies of scale, product differentiation, future capital requirements, cost advantage and the Company's competitive position.
- *Board Approval to Incur Expenses:* The proposed investment is further discussed by the Company's (or portfolio company's) board, who may approve the appointment of advisors to assist in the evaluation of the proposal. If the proposed investment is sufficiently large, a portfolio company board may consult the board of directors of the Company.
- *Due Diligence:* A technical, financial, commercial, employment, tax, environmental and/or legal study of the proposed investment is commissioned with the support of the Company's (or portfolio company's) advisers. This process includes a cash flow analysis conducted in accordance with the Company's capital investment manual as part of an economic viability evaluation. The findings of this due diligence exercise are reviewed by the board and senior management team who may prepare an investment memorandum containing an investment recommendation and setting forth any potential areas of concern in order to determine whether associated investment risk is acceptable. In the case of financial research into potential targets, certain viability criteria must be set. These viability criteria include various scenarios which, among other things, take into account whether investment will be equity and/or debt sourced.

At this stage, the board further considers optimal financing options and structuring, taxation, regulatory approvals and other aspects of the proposed investment. Following internal discussions, the board of the

Company will review the developed proposal and decide on whether to proceed with the investment. This stage could include feasibility studies.

- *Negotiation with Target or Potential Project Partner (if necessary)*: If the board of directors supports the transaction, it may be necessary (in the case of joint ventures or partnerships), together with its advisers, to negotiate and agree the outstanding aspects of the transaction or project with any potential counterparty, including the detailed terms of the investment and the details of the financing for the transaction. This could result in the entry into preliminary agreements such as memoranda of understanding.
- *Availability of Funds and Leveraging*: For each potential investment, the availability and the cost of borrowing debt or issuing equity is evaluated against the possibility of investing cash.
- *Optimising financing structure for the Company*: Following the determination of the availability of financing, the structure of financing options is assessed by the Company (or portfolio company) with factors such as term, cost, associated restrictions and covenants forming the basis of such assessment.
- *Board of Directors' Final Approval*: The final stage in the strategic investment process is the formal approval by the board of directors of the final terms of the transaction and the documentation (for example, finance documentation or shareholders' agreements). The approval of the board of directors is obtained prior to signing and public announcement of the transaction. Implementation of the investment is normally led by the Company, unless the investment is being carried out by a portfolio company, in which case such entity will carry out the relevant investment implementation.

### ***Funding Principles***

The Company employs a flexible funding strategy that depends on a number of factors, including the characteristics of the investment being financed, the state of the financing markets and the timing of other transactions being undertaken by the Company. To date, the sources of financing available to the Company have been dividends and interest received from investments, external bank financing, debt capital markets instruments and equity contributions from the Government.

Individual portfolio companies also raise funds to finance their development and operations. The Group typically pursues limited recourse financings for its major capital projects through its subsidiaries, which can reduce the Company's risk and exposure in the relevant project's financing structure in comparison to traditional corporate financing that may be pursued by the Company for a particular project. While the Company provides guidance and direction to its portfolio companies on their capital structure and dividend policy, taking into account relevant market conditions, the Company gives its portfolio companies sufficient flexibility to determine and adopt the optimal funding strategy for their respective businesses, but closely monitors any proposed project financing strategy.

The Company will, where necessary, provide financial support to its subsidiaries. This takes the form of shareholder loans and completion guarantees for portfolio company external debt financing. For example, the Company has:

- provided a loan of U.S.\$76.5 million to Tawseah to fund a portion of the Bahrain Gas Plant Project, which was fully repaid in 2022;
- provided a loan of U.S.\$9 million to Bahrain LNG for part payment of construction costs for the Bahrain LNG Import Terminal;
- provided a loan of U.S.\$32.7 million (BD12.3 million) to BJFCO in order to meet the project costs associated with the construction of a new fuel tank farm and associated fuel hydrant distribution system at Bahrain International Airport;
- issued a deed of guarantee for U.S.\$86.7 million in favour of APICORP in respect of an equity bridge facility agreement dated 15 November 2016 between Bahrain LNG as borrower and APICORP as lender, in connection with the Bahrain LNG Import Terminal;
- provided a comfort letter and completion and equity support commitments to Tawseah in respect of the financing obtained by Tawseah for the Bahrain Gas Plant Project;

- provided an indemnity to Bapco in the context of the financing arrangements in relation to the Bapco Modernisation Programme; and
- provided initial equity contributions to Bapco, comprising U.S.\$935 million in base equity and U.S.\$200 million in contingent equity.

The Group is committed to make prudent financial decisions by balancing deleveraging with carefully planned and executed capital expenditure programmes. The Group remains focused on leveraging synergies and reducing operating expenses. The Group is focused on maintaining strong cash and liquidity positions and aims to strengthen its credit metrics and gearing ratios over time.

### ***Strategic Investments***

The Company oversees the activities of its various portfolio companies by liaising and consulting with the board of directors, chief executives and senior executive managements of such companies. It ensures that the necessary resources are in place to enable the Company to meet its strategic growth and investment objectives, monitors the performance of management and aims to ensure that the strategy, policies and procedures adopted are in line with the Company's mandate. The performance of the investments is carefully monitored by the senior management team who undertake quarterly performance meetings with the senior management of each portfolio company, in which key performance metrics are reviewed and benchmarked to their peers and targets (short- and long-term) are set up by the portfolio companies and agreed and measured by the Company. The performance monitoring programme is well established and the Company has engaged a reputable international firm that assists in measuring the performance of the portfolio company management.

The Company analyses all proposed investments by its portfolio companies, principally through its board meetings in which Company directors analyse the structure and financing (among other aspects) of each new project and any significant developments within the portfolio companies.

The Company also holds strategic growth and investment meetings chaired by its Chief Executive Officer on a regular basis, each of which includes a discussion of the performance of the Company's investments and projects and any issues relating to them. These meetings are attended by members of the executive management team. The Company also has a well-established risk management and business continuity management framework with which all portfolio companies are required to comply.

### **SUBSIDIARIES, ASSOCIATES AND JOINT OPERATIONS**

The following table sets forth summary information regarding the Company's business operations and existing strategic investments as at and for the year ended 31 December 2022.

	Date of Initial Investment	Percentage Equity Ownership	Total revenue for the year ended 31 December 2022	Total assets as at 31 December 2022
<i>(BD million)</i>				
<b>Subsidiaries<sup>(1)</sup></b>				
Bapco.....	2007	100	3,795.3	3,640.7
Banagas.....	2007	75	38.5	62.1
Tawseah.....	2008	100	115.6	385.0
BAFCO <sup>(2)</sup> .....	2007	60	—	1.6
Tatweer <sup>(2)</sup> .....	2009	100	—	248.1
BGB.....	2016	85	331.7	45.5
SBPC.....	2017	100	16.2	128.0
Aromatics.....	2016	100	—	4.3
BRC.....	2019	100	45.8	23.9
<b>Associates<sup>(3)</sup></b>				
GPIC.....	2007	33	224.7	277.2
Bahrain LNG.....	2015	30	39.8	451.1
Asry.....	2019	37	79.0	106.0
Trident Logistics.....	2017	49	1.2	7.1
<b>Joint Operations<sup>(3)</sup></b>				
Bahrain Lube <sup>(4)</sup> .....	2009	72.5	112.5	185.7
BJFCO.....	2016	50	2.7	30.6

**Notes:**

- (1) Revenue and assets as at and for the year ended 31 December 2022 for subsidiaries are prior to eliminations made at the Group level.
- (2) Service companies that do not record profit and loss.
- (3) Revenue and assets as at and for the year ended 31 December 2022 for associates and joint operations reflect the full amount pertaining to the respective entities, and not the Company's share of the amount.
- (4) On 22 March 2022, the Company acquired shares in Bahrain Lube that had previously been owned by Nesté Bahrain. The Company's ownership interest in Bahrain Lube subsequently increased to 72.5 per cent. The remaining 27.5 per cent. of the shares in Bahrain Lube are owned by Bapco.

**SUBSIDIARIES**

The Group currently comprises the following subsidiaries.

**Bapco**

Bapco was originally established in 1929 by California's Standard Oil Company in order to undertake oil exploration activities in Bahrain and, since this date, has been heavily involved in the development of Bahrain's oil and gas industry, including the discovery of the Bahrain Field in 1932. The Government acquired 60 per cent. of Bapco's shares in 1975 and acquired the remaining shares of Bapco in 1997.

Bapco owns and operates the 267,000 bpd Sitra Refinery, as well as storage facilities with a capacity of over 14 million barrels, which comprise of around 170 storage tanks of varying capacities at the Sitra Refinery (the "**Refinery Tank Farm**"), 5 km north east of the Sitra Refinery on Sitra Island (the "**Sitra Tank Farm**") and the marketing terminal (the "**Marketing Terminal Storage**"). The Refinery Tank Farm contains 94 tanks with a capacity for 4.5 million barrels used to store crude oil and intermediate stocks. The Sitra Tank Farm contains a further 50 tanks with a total capacity of 8.5 million barrels which are used for refined product storage and export shipping. In addition, there are six pressurised LPG spheres located within the Sitra Refinery for LPG distribution to the local LPG bottling plants. The Marketing Terminal Storage is used to store supplies for the domestic market.

Bapco also owns a marine terminal for the export of its refined products, of which approximately 90 per cent. are exported via this terminal, comprising six berths for ocean-going vessels, one berth for smaller bunker vessels and two main wharves. Bapco receives a wharf usage fee from GPIC, Bahrain Lube, BGB and Banagas for the use of Bapco's wharf facilities to export their products. Bapco's marine terminal is almost fully manually operated, with 82 employees handling wharf operations and a high tank capacity in relation to production, including many small tanks. This allows Bapco to offer its customers flexibility, offering cargo sizes from as small as 1,000 metric tonnes up to 88,000 metric tonnes for naphtha, gasoline, kerosene, diesel and fuel oil; allowing combi-cargoes of up to five different products per vessel and providing flexibility to nominate loading dates.

Bapco markets crude oil produced by the Abu Saa'fa oilfield (which is lifted by customers directly from Ras Tanura Port in Saudi Arabia) on behalf of the Government, for which Bapco receives a marketing fee.

Bapco previously managed all oil and gas exploration activities in Bahrain, as well as Bahrain's gas distribution network, acting as the local gas distribution agent of the Government and supplying gas from the Bahrain Field to independent power producers and other industrial users including Alba and GPIC. However, in order to streamline the upstream operations of Bapco, the operation of the gas distribution network and responsibility for oil and gas exploration was transferred to Tatweer as of 1 July 2017.

Bapco also owns and operates the Awali Hospital, a private hospital providing services to Bapco staff and the general public.

**Sitra Refinery**

The Sitra Refinery is a 267,000 bpd refinery located on the island of Sitra, to the Southeast of Bahrain's capital city, Manama. The refinery was established in 1936 as the first refinery in the gulf region with a capacity of 10,000 bpd. Continuous investments and improvements to the facility, as well as to systems and operations have been made in order to maintain the highest industry safety and environmental standards, meet market demands and achieve high reliability, cost efficiencies and workforce productivity. The Sitra Refinery comprises various operational units, including atmospheric crude distillation units, vacuum distillation units, low sulphur fuel oil complex, fluid catalytic cracking unit complex, low sulphur diesel production complex, hydrocracker unit and a post-Bapco Modernisation Programme residual hydrocracker unit using LC Fining Technology.

Bapco completed the Strategic Investment Programme in 2014, where several new units were added to the Sitra Refinery to ensure continued profitability, including the construction of a 60,000 bpd HVGO hydrocracker and a revamp of a mild hydrocracker to a low sulphur diesel hydrotreater, in order to upgrade low value fuel oil to more valuable low sulphur Euro-V (10 ppm sulphur) diesel and the construction of a refinery gas desulphurisation plant. In addition to these new processing facilities, environmental projects were also executed as part of this Strategic Investment Programme, including improvements to the wastewater treatment at the Sitra Refinery. In addition, through the current Bapco Modernisation Programme, the Company plans to add new core process units, such as a new integrated crude and vacuum unit, a new ebullated-bed residue hydrocracker, a second HVGO hydrocracker, a second ultra-low sulphur diesel hydrotreater and several other process units and associated utilities. In addition, several old and inefficient process units will be mothballed and decommissioned, with a view to achieving a more energy efficient and environmentally compliant facility, as well as improving the product slate at the Sitra Refinery by upgrading the refinery residue, improving gross margins and thereby remaining competitive under a wider range of feedstock and product prices and market conditions.

The Sitra Refinery utilises both Bahrain crude oil and Saudi Arabian crude oil as feedstock. The table below shows the crude oil processed by the Sitra Refinery in the years ended 31 December 2018, 2019, 2020, 2021 and 2022. There were slight fluctuations in crude oil from Saudi Arabia between 2019 and 2021 due to the broader impact on the market of the COVID-19 pandemic.

	2018	2019	2020	2021	2022
			(bpd)		
Crude oil from Bahrain Field processed .....	42,027	42,300	43,229	42,669	39,686
Crude oil from Saudi Arabia processed .....	217,810	221,949	175,394	179,871	211,649
<b>Total crude oil processed .....</b>	<b>259,837</b>	<b>264,249</b>	<b>218,623</b>	<b>222,540</b>	<b>251,335</b>

Source: Bapco

The Sitra Refinery is supplied with Bahrain crude oil from the Bahrain Field. Since 2018, the Government has been providing Bapco with a minimum of 38,700 barrels per day of Bahrain crude oil at a subsidised price of U.S.\$1 per barrel pursuant to the 2018 COSA, although since 10 November 2009, Bapco has also been paying production costs in respect of this subsidised Bahrain crude oil, pursuant to the COSPA. Following discussions between the Company, Bapco and the Government, on 19 September 2017, the High Committee for Natural Resources and Economic Security, which is appointed by the Cabinet and whose members include the Minister of Finance and National Economy and the Minister of Finance, approved the amendment and extension of the 2005 COSA, for an additional term of 25 years. The terms of the 2018 COSA to reflect this extension contains substantially the same terms as the original 2005 COSA, save that the 2018 COSA requires the Company to assume Bapco's obligations as buyer therein upon completion of certain requirements (which include, among other things, completion of the Bapco Modernisation Programme), following which Bapco will cease to be a party to the 2018 COSA. Upon Bapco ceasing to be a party to the 2018 COSA, the benefit of the subsidised oil supplied pursuant to the 2018 COSA will be directly received by the Company as buyer. See "*Risk Factors—Risks relating to Bapco—The Company's profitability has been significantly supported by the supply of subsidised crude oil to Bapco*".

The Arabian Light crude oil is supplied to the Sitra Refinery through the New AB4 Pipeline pursuant to the Saudi Aramco COSA, under which Saudi Aramco has agreed to make available 350,000 bpd of Arabian crude oil, plus or minus 10 per cent., which provides Bapco with a significant amount of flexibility in order to increase or decrease volumes to suit its operational requirements. The Arabian crude oil is supplied by Saudi Aramco at market prices. Saudi Aramco has provided an uninterrupted supply of Arabian crude oil to Bapco for over 73 years. The terms of the Saudi Aramco COSA provide that Saudi Aramco will continue in force with automatic extension unless terminated at the option of either party with written notice.

The Sitra Refinery, in its current form, comprises five crude oil distillation units with a combined nameplate capacity of 267,000 bpd, three vacuum distillation units with a combined capacity of 208,000 bpd, a diesel hydro desulphuriser with a capacity of 70,000 bpd, a platforming unit with a capacity of 15,000 bpd, a HVGO hydrocracker with a capacity of 60,000 bpd (50,000 bpd when used for the production of lube base oils), and a fluid catalytic cracking unit with a capacity of 32,000 bpd (although usual operations are at 13,000-15,000 bpd), a visbreaker unit with a capacity of 24,000 bpd. The lube base oil plant owned by Bahrain Lube, but operated by Bapco, is highly integrated with the operations at the Sitra Refinery and has a production capacity of 400,000 tonnes per year of Very High Viscosity Index Group III lubricant base oils.



Bapco currently generates power at the Sitra Refinery for its own requirements and also to supply the Sitra Tank Farm and Sitra Wharf. The Sitra Refinery has a total of 68 MW of generating capacity, with some units in the Sitra Refinery being supplied via the Electricity and Water Authority's (the "EWA") electricity grid.

The Sitra Refinery produces a full range of products, with the most valuable being middle distillates (kerosene and diesel) which constitute about 54.7 per cent. of the refinery production. In addition, the Sitra Refinery is currently producing ultra-low sulphur diesel (Euro V), naphtha, gasoline, kerosene, heavy lube distillate, aviation turbine fuel, fuel oil, gasoline, liquefied petroleum gas, asphalt, sulphur and Group III lubricant base oils.

The table below shows production volumes for the Sitra Refinery for the years ended 31 December 2020, 2021 and 2022.

	Production Volume in the year ended 31 December		
	2020	2021	2022
		<b>BBLs</b>	
LPG.....	815,426	805,258	867,658
Propane.....	251,184	175,751	244,815
Butane.....	376,183	296,664	342,444
Naphtha.....	13,648,768	14,293,826	14,336,055
Gasoline <sup>(1)</sup> .....	4,560,931	4,012,454	5,970,277
Kerosene.....	18,073,290	15,009,740	18,012,390
Diesel.....	28,534,441	32,097,821	32,709,414
Fuel Oil.....	12,893,168	14,891,953	18,342,150
Lube Base Oil <sup>(2)</sup> .....	2,402,530	2,916,812	2,365,257
Asphalt.....	2,088,499	1,152,053	856,189
Sulphur.....	437,566	453,868	449,593
<b>Total.....</b>	<b>84,081,986</b>	<b>86,106,199</b>	<b>94,496,243</b>

**Note:**

(1) Consists of gasoline components sold to BGB.

(2) Consists of feedstock produced and sold to Bahrain Lube.

Bapco undertakes regular maintenance on the Sitra Refinery (routine planned and unplanned). During such periods (maintenance and shutdowns), Sitra Refinery production may fluctuate depending on the refinery component being maintained and/or the unit that is shutdown. Bapco generally undertakes major T&I maintenance on a six-year maintenance cycle. In order to minimise disruption during such maintenance, the operating units at the Sitra Refinery are divided into three separate hubs, on the basis of interrelated feedstock and products. Hub 1, which includes the HVGO hydrocracker, the lube base oil plant, a sulphur recovery unit, a hydrogen plant, a vacuum distillation unit and a crude oil distillation unit, was shut down for T&I in 2016 and 2022, while Hub 2, which includes a hydrotreater diesel unit, a hydrogen plant, a sulphur recovery unit, a vacuum distillation unit and a crude oil distillation unit, was shut-down for T&I in 2014 and 2020. The FCCU Complex, which includes the fluid catalytic cracking unit, gas concentration unit, poly plant, LPG and a crude oil distillation unit, was shut down for T&I in 2021. The next T&I of the FCCU Complex is currently not scheduled, as the FCCU Complex and a number of other existing units will be decommissioned following the commissioning of the units under the Bapco Modernisation Programme. The next Hub 1 and Hub 2 T&Is, for the Bapco Modernisation Programme units and the existing units that will continue to operate after the Bapco Modernisation Programme units' commissioning, are expected in 2026 and 2027. In addition to the foregoing, Bapco periodically undertakes T&I of individual operating units that are not part of either Hub 1 or Hub 2, and catalyst change out shutdowns for hydrocracker, hydrotreater and hydrogen plants. For instance, in 2022, Bapco performed scheduled shutdowns on its visbreaker unit, kero re-run unit, platformer/unifiner and a desalinisation plant.

One of the Sitra Refinery's principal competitive refinery advantages is its geographical location within the Arabian Gulf and its proximity to significant international trade routes. In the year ended 31 December 2022, Bapco sold approximately a total of 79.89 million barrels of oil, 87.6 per cent. of its Sitra Refinery production (by volume), internationally, with the remainder being sold domestically. Bapco's principal customers for refined products are based in the Middle East, the Far East, Europe, Africa, South East Asia and India with these customers accounting for 39.8 per cent., 14.5 per cent., 6.3 per cent., 17.9 per cent., 10.2 per cent., and 4.9 per cent. of international sales in the year ended 31 December 2022.

Bapco exports its refined products internationally via ship from the Sitra Port on a "free on board" ("FOB") basis, with the exception of sulphur, which is sold on an ex-works basis. Bapco typically enters into international sales agreement on its standard terms on a mid-term contract and spot basis, with customers including National Oil Companies ("NOCs") which have purchased approximately 8 per cent. of refined products over the past 10 years,

International Oil Companies (“**IOCs**”) which have purchased approximately 50 per cent. of refined products over the past 10 years, major global traders which have purchased approximately 15 per cent. of refined products over the past 10 years, smaller regional traders which have purchased approximately 17 per cent. of refined products over the past 10 years and end users and smaller traders which have purchased approximately 10 per cent. of refined products over the past 10 years. Credit facilities are extended to NOCs and large IOCs, however, the majority of the customers purchase with confirmed letters of credit through large financial institutions.

Bapco has its own marketing department. Bapco’s petroleum marketing unit was originally established in 1980 under Bahrain’s Ministry of Development and Industry in order to market the Government’s share of products from the refinery at that time and the marketing unit was integrated into Bapco in 1983. As at 31 December 2022, it had 173 employees. Bapco’s marketing strategy remains focused on offering a high level of customer service, together with flexibility as to the timing of cargo lifting, cargo size and product quality. In addition, Bapco’s marketing strategy involves actively monitoring the oil market in order to optimise the quality and quantity of product sales revenues and exploit opportunities in new markets wherever possible. Bapco has also recently launched a strategic marketing programme focused on enhancing the company’s practices, systems and processes.

Bapco also sells diesel, kerosene, gasoline, LPG and asphalt domestically. The price in respect of gasoline sold domestically is determined by the Gasoline Price Review Committee, while the price in respect of diesel and kerosene sold domestically is determined by the Petroleum Price Review Committee. Each of the Gasoline Price Review Committee and Petroleum Price Review Committee is composed of representatives from the Ministry of Oil and Environment and Bapco and such prices are reflective of Government policy. Asphalt is sold domestically at market prices, while LPG is sold domestically at a subsidised price.

In 2018, Bapco completed the construction of the New AB4 Pipeline in order to increase the feedstock available to the expanded Sitra Refinery. See “—*Saudi Bahrain Pipeline Company—New AB4 Pipeline*”.

In 2021, Bapco signed an exclusive, five-year U.S.\$240 million catalyst management agreement with Advanced Refining Technologies LLC. Under the agreement, Advanced Refining Technologies LLC will provide its resid hydrocracking catalyst technology to convert 78 per cent. of the vacuum residue feed into intermediate products, which will then be further processed into high margin kerosene and diesel.

## **Bapco Modernisation Programme**

### *Project Description*

The Bapco Modernisation Programme is a major refining and development project, which will be the Company’s single largest investment in its long history, and consists of a group of related projects that are expected to be managed in a co-ordinated way to maximise benefits.

The Bapco Modernisation Programme will involve the installation of new process core units, such as an integrated crude and vacuum unit, a new ebullated-bed residue hydrocracker, a second HVGO hydrocracker, a second ultra-low sulphur diesel hydrotreater and several other process units with associated utilities. One of the key objectives of the Bapco Modernisation Programme is to improve the product slate at the Sitra Refinery by upgrading the refinery residue, thereby improving gross margins and remaining competitive under a wider range of feedstock and product prices, and market conditions. In addition, old and less efficient process units will be mothballed and decommissioned, with a view to ensuring that the new facility will be more energy efficient and with a lower environmental impact. The larger and more complex refinery will allow increased exports of higher value products, such as diesel, aviation turbine fuel and naphtha, at the expense of residue product. According to Nexant, the Nelson Complexity Index (“**NCI**”) of the Sitra Refinery is expected to increase from 6.3 to 7.1 following completion of the Bapco Modernisation Programme. Refineries with higher NCIs are generally more technically advanced, have greater flexibility and are able to extract higher value from the crude oil they process by producing greater yields of high-margin products.

Bapco will also benefit from a more energy efficient facility, better equipped to meet more stringent environmental compliance regulatory standards and goals. The capacity of the Sitra Refinery is expected to be increased by 42 per cent., from 267,000 bpd to 380,000 bpd after the expected completion of the Bapco Modernisation Programme in 2024.

In order to provide additional feedstock to the Sitra Refinery, a new 118 km long 30-inch pipeline, with a maximum nameplate capacity of 400,000 bpd, was commissioned in October 2018 (see “—*Saudi Bahrain Pipeline Company—New AB4 Pipeline*”) and a new crude oil supply agreement was entered into in February 2019

with Saudi Aramco, for the supply of 350,000 bpd of Arabian crude oil, Bapco's incremental power requirements post completion of the Bapco Modernisation Programme will be sourced from the Bahrain electricity grid pursuant to a long term power supply agreement with EWA.

The Bapco Modernisation Programme is being undertaken pursuant to a single lump sum turnkey EPC contract, with a contract value of U.S.\$4.1 billion, which was awarded to a consortium comprising Technip USA, Technip Italy, Tecnicas Reunidas of Spain and Samsung Engineering of Korea on 2 February 2018. Front-End Engineering Design for the Bapco Modernisation Programme was completed in May 2016 by Technip Italy S.P.A and Worley Parsons Europe Limited ("**Worley**") was appointed as the Project Management Consultant in December 2015. Bapco has also completed the Environmental and Social Impact Assessment, while arrangements have been made for the management of the workforce engaged for the purpose of the project, with full-time resources in place to ensure effective implementation of workers welfare standards across the Bapco Modernisation Programme, including the maintenance of a Worker Welfare Officer and a Worker Welfare Specialist.

As of December 2022, the engineering, procurement and construction elements of the project were almost 90 per cent. complete, which represents a delay as against the originally scheduled progress of the project. While detailed engineering and manufacturing work is at an advanced stage (including the delivery of superheavy and oversized equipment), certain construction, pre-commissioning and commissioning work is still to be completed. The primary cause of the delay to the project has been the impact of COVID-19, which has limited the availability of workforce resource to subcontractors. As at the date of these Base Listing Particulars, it is expected that the delay will be for a period of at least two years when compared to the original schedule and the total estimated project cost has increased from U.S.\$6.9 billion to U.S.\$7.3 billion, primarily due to this delay. This additional cost will be financed primarily through cash generated through Bapco's operations during the construction phase.

#### *Estimated Project Cost and Funding*

The total project cost of the Bapco Modernisation Programme is currently estimated to be approximately U.S.\$7.3 billion, consisting of development costs, capex contingencies, senior debt interest, fees during construction, and required liquidity reserves. The project cost has been fully funded through a mixture of senior long-term secured debt and equity, including an initial equity contribution from the Company of U.S.\$1.15 billion. The equity contribution from Bapco will be financed primarily through cash generated through Bapco's operations during the construction phase, in the expectation that Bapco continues to benefit from significant Government support in the form of subsidised Bahrain crude oil from the Bahrain Field. The Bapco Modernisation Programme is also financed through the BMP Project Financing, which was entered into on 9 May 2019. The BMP Project Financing comprises covered export credit facilities, uncovered commercial and Islamic financing facilities with a consortium of banks, in an aggregate amount of U.S.\$4.1 billion (of which approximately U.S.\$2.9 billion had been utilised as at 31 December 2022). See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Indebtedness—BMP Project Financing*" for a description of the BMP Project Financing.

#### **Tatweer**

Tatweer is a limited liability company that was formed in November 2009 as a joint venture pursuant to the Development and Production Sharing Agreement ("**DPSA**") dated 26 April 2009 and entered into between the Company (51 per cent.), Occidental Petroleum Corporation (29 per cent.) and Mubadala Development Company (20 per cent.). Tatweer is responsible for the exploration and development of the Bahrain Field, including the prospecting for exploration, appraisal, development, production, collection, storage, treatment, processing and transportation of petroleum to specified delivery points. Tatweer generates revenue through the receipt of service charges based on oil and gas production costs from the Company through the cash call mechanism with the Company.

The Company acquired a 100 per cent. interest in Tatweer effective from 1 July 2016, making a related incentive payment of BD58 million (U.S.\$154.3 million) to Occidental and MDC. The DPSA provided that, following the withdrawal of Occidental and MDC from the DPSA, NOGA was entitled to receive the assets of Occidental and MDC that had been utilised for the purposes of the petroleum operations conducted under the DPSA. NOGA subsequently transferred its 80 per cent. interest in the assets acquired following the withdrawal of Occidental and MDC (such interests having been previously held 48 per cent. by Occidental and 32 per cent. by MDC) to the Company.

Bapco previously managed all oil and gas exploration activities in Bahrain, as well as Bahrain's gas distribution network, acting as the local gas distribution agent of the Government and supplying gas from the Bahrain Field to independent power producers and other industrial users including Alba and GPIC. However, in order to

streamline all upstream operations, the responsibility for oil and gas exploration was transferred to Tatweer as of 1 December 2017 and the operation of the gas distribution network was transferred to Tatweer as of 31 March 2018.

On 21 February 2019, the DPSA was terminated (with effect from 1 January 2018) and replaced by a Services Contract Agreement between NOGA and the Company dated 24 November 2019, a Services Subcontract Agreement dated 24 January 2019 between the Company and Tatweer and other ancillary agreements, pursuant to which Tatweer continues to conduct day-to-day petroleum operations and has responsibility for oil and gas exploration and the operation of the gas distribution network. Pursuant to these arrangements, Tatweer is entitled to be reimbursed by the Company through its cash call mechanism for all costs of the project and the Company is entitled to a management fee in an amount equal to 10 per cent. of Tatweer's capital and operating expenditure costs.

Tatweer's primary objectives are to increase oil and gas production in Bahrain to meet demand and generate additional oil and gas reserves, on behalf of the Government as owner of the reserves, in order to increase returns for the Government. Previously, drilling was predominantly carried out on the Ahmedi reservoir in the crest area of the field, which had not previously been developed due to gas handling limitations. Tatweer has also focused on other reservoirs, such as Mauddud and Kharaiib in order to sustain production levels. The Mauddud tight spacing project commenced in 2019 and has increased Mauddud's reservoir production and assisted in maintaining Bahrain Field's overall production levels. Tatweer's infill drilling strategy envisages the drilling of 450 wells, with 69 wells drilled in 2019, 102 wells drilled in 2020, 78 wells drilled in 2021, 26 wells drilled in 2022 and 175 wells expected to be drilled between 2023 and 2025. In addition, Tatweer has also installed two new compression stations which has increased gas injection by 100 million standard cubic feet per day ("mmscfd") from January 2021, and is expected to increase by an additional 100 mmscfd by the second half of 2025. An additional 200 mmscfd is targeted by 2030 through voidage management and improved gravity drainage.

In order to meet its objectives, Tatweer has continued to focus on developing its production capabilities at the Awali oilfield and improving production efficiency through new facilities and automated systems, with improvements such as: (i) the installation of new low pressure gas dehydration units and well head compression facilities to increase non-associated gas production; (ii) the installation of incremental associated gas rental compression units; (iii) the installation of new well manifolds; (iv) the automation of gas lift well chokes; (v) the installation of low pressure modularised gas compression and liquid handling systems; (vi) upgrades to the fibre optic network infrastructure; (vii) continuing the enhanced oil recovery ("EOR") programme, with new methods being introduced at the Awali oilfield such as water and steam injection; and (viii) the execution of multiple additional cost and energy saving projects.

Based on the current five-year plan with respect to the period from 2022 to 2026 (which is updated on a rolling annual basis based on Tatweer's strategy and objectives as well as a review of the depletion plan and ongoing activities), the estimated cost of the Bahrain Field Oil and Gas Development and Expansion Programme is U.S.\$4.2 billion, (comprising U.S.\$2.5 billion allocated to the gas development component and U.S.\$1.7 billion allocated to the oil development component), of which U.S.\$1.2 billion has been funded to date. The Group currently expects to seek external financing to fund the costs of the project. The Group expects to recover the costs of the project from MOFNE pursuant to the terms of the services arrangements described above.

### ***Bahrain Field***

Tatweer's operations are focused on the exploration and development of the onshore Bahrain Field, which was discovered in 1932. The main development area of the Bahrain Field, measures approximately 15 km long and 5 km wide. It is a geologically complex field and consists of 16 oil reservoirs and four gas reservoirs in addition to the recently discovered Jubah and Jauf deep pre-Khuff reservoirs located within more than 6,000 metres of stratigraphic column. The reservoirs are mainly carbonates with fluids varying from shallow tarry oil in the Aruma reservoir at 1,000 feet to deep non-associated dry gas in the Khuff and pre-Khuff formations at depths of 9,000 feet and deeper. Bahrain Field oil and gas reservoirs include rubble heavy oil, Mauddud medium oil, Arab light oil and Khuff gas.

## Crude Oil

The annual production of crude oil from the Bahrain Field for the years ended 31 December 2018, 2019, 2020, 2021 and 2022 is set out below:

	2018	2019	2020 (bpd)	2021	2022
Crude oil from Bahrain Field.....	42,122	42,378	43,229	42,588	39,536

Source: Tatweer

The crude oil from the Bahrain Field is transported to the only refinery in the Kingdom (the “**BAPCO Refinery**”) through a multiple transmission pipeline. Since Tatweer took over operation of the Bahrain Field in 2009, it has increased oil production by drilling new wells, debottlenecking facilities, increasing gas lift and beam pumping units, and testing EOR technologies (such as water flooding and steam injection).

Tatweer has also made a number of improvements to production operations at the Bahrain Field by modernising legacy equipment, implementing progressive technologies (for instance, low pressure operation of beam pump units), constructing new oil handling facilities (well manifolds and tank batteries), water treatment plants, gas compression stations and a centralised gas dehydration facility.

Tatweer has also undertaken multiple infrastructure projects, including the construction of a 220 kV substation and 1 MW solar power plant. Several control system upgrades have also been completed such as remote oil well manifolds monitoring and bringing the entire oil, water, and steam production into the high speed fibre optic network in order to achieve better surveillance and control from the central control facility.

Tatweer has more than doubled the number of oil wells since taking over operational control of the Bahrain Field, with 1,496 new oil wells having been drilled since the commencement of operations of Tatweer through to 31 December 2022, increasing the overall active well count to 1,264 as of 31 December 2022. In addition, 15 new well manifolds, two new tank batteries and eight new water treatment plants have been constructed by Tatweer, taking the total number of well manifolds, tank batteries and water treatment plants to 31, eight and eight respectively as of 31 December 2022. Tatweer has also constructed a waste management sump facility, which is used to dispose of liquid waste streams from the Bahrain Field to deep disposal zones in the reservoir.

Tatweer has increased annual crude oil and condensate production from the Bahrain Field from 11.7 million barrels in the year ended 31 December 2009 to 14.4 million barrels in the year ended 31 December 2022 and increased associated gas supply from 285 mmscfd to 835 mmscfd in the same period. In 2022, 83 new wells were drilled, and 653 workovers and 140 rigless stimulation jobs were carried out to increase crude oil production. In addition, Tatweer has recently completed the Ostracod Magwa Fracking Project, with 66 new wells completed as part of a full field development programme, and ten new Khuff wells drilled as part of Tatweer’s long term gas development programme.

Tatweer continues to undertake significant drilling and maintenance work, commissioning 78 wells in 2022. These new wells targeted six reservoirs. Tatweer is currently expected to drill 119 additional new oil wells in 2023. As of 31 December 2022, Tatweer had 600 active beam pumps and had completed 912,537 maintenance man-hours.

## Khuff Gas

The table below provides details of Bahrain’s gas production for the periods indicated:

	2018	2019	2020 (billion cubic feet)	2021	2022
Khuff gas production.....	522.6	612.2	609.5	597.6	600.7
Associated gas production.....	250.0	266.6	277.4	308.2	306.3
<b>Total gas production</b> .....	<b>772.6</b>	<b>878.9</b>	<b>886.9</b>	<b>905.8</b>	<b>907.0</b>

Source: Tatweer

Khuff gas from the Bahrain Field is transported via transmission lines to the three main distribution points, namely Alba distribution point, Riffa distribution point and Dur distribution point. From these distribution points the gas is supplied through a network of pipelines, local distribution points and metering stations, which comprise the gas distribution network, to various customers across Bahrain. Some of the Khuff gas is re-injected into the oil

reservoirs to maintain reservoir pressure and stimulate production whereas some is used to artificially lift oil from wells. Associated gas from the Bahrain Field, a by-product of the oil production process, is supplied as feedstock to Banagas and Tawseah. Tatweer is responsible for the operation and maintenance of the gas distribution network, which supplies about 1,266 mmscfd of gas from the Bahrain Field to various customers across Bahrain as both fuel and feedstock for power and industry such as electricity generation, aluminium smelting, petrochemicals, water desalination, refining and others.

Tatweer has focused on maintaining Khuff gas production from the Khuff gas reservoir in order to meet Bahrain's demand for gas for power generation and local industries. Although Bahrain's gas reserves are relatively small, total gas production (i.e., natural gas from the Khuff reservoir and the associated gas production) has gradually increased over the years, from 393.0 billion cubic feet in 1998 to 907.0 billion cubic feet in 2022.

Gas is sold directly to the following principal domestic consumers: Bahrain's power stations (which accounted for 43 per cent., 40 per cent., 41 per cent., 39 per cent. and 38 per cent. of total gas utilisation in 2018, 2019, 2020, 2021 and 2022, respectively) followed by Alba (which accounted for 27 per cent., 32 per cent., 33 per cent., 33 per cent. and 34 per cent. of total gas utilisation in 2018, 2019, 2020, 2021 and 2022, respectively), Bapco (which accounted for 10 per cent., 9 per cent., 9 per cent., 9 per cent. and 9 per cent. of total gas utilisation in 2018, 2019, 2020, 2021 and 2022, respectively) and GPIC (which accounted for 8 per cent., 8 per cent., 8 per cent., 8 per cent. and 8 per cent. of total gas utilisation in 2018, 2019, 2020, 2021 and 2022, respectively).

The table below provides details of the percentage of Bahrain's Khuff gas sold directly to each principal domestic consumer for the periods indicated. The table below does not account for re-injected gas:

	2018	2019	2020	2021	2022
	(Percentage of total quantity sold)				
Electricity Directorate .....	43	40	41	39	38
Alba .....	37	32	33	33	34
Bapco .....	10	9	9	9	9
GPIC .....	8	8	8	8	8
Others .....	12	11	9	11	11

The other principal use of the gas produced from the Khuff reservoir is for oil field injection, which accounted for 29 per cent., 39 per cent., 36 per cent., 29 per cent. and 33 per cent. of total gas injection (Khuff gas and associated gas) in 2018, 2019, 2020, 2021 and 2022, respectively.

Alba entered into an agreement with Bapco, on behalf of NOGA, to set the price of gas for the period 2015-2021. This agreement was reached to help curb rising heating costs incurred in the aluminium manufacturing process. Effective 1 April 2015, gas prices increased from U.S.\$2.25 per mmbtu (gross heating value) to U.S.\$2.50 per mmbtu and thereafter increased at a rate of U.S.\$0.25 per mmbtu (gross heating value) per annum (with the exception of 2021, where the price remained the same as 2020 due to the effects of the COVID-19 pandemic) until the price reached U.S.\$4.00 per mmbtu on 1 April 2021. The table below outlines gas prices per year based on the above agreement:

	As of 1 April						
	2017	2018	2019	2020	2021	2022	2023
Price (in U.S.\$) .....	3.00	3.25	3.50	3.75	3.75	4.00	4.00

Tatweer has recently completed a programme to maintain Khuff gas production and expand the production facilities at the Bahrain Field, with the drilling of ten new Khuff gas wells and 70 new oil wells in 2022, targeting the Rubble, Ostracod, Magwa, Ahmadi, Mauddud, and Kharaiib reservoirs, bringing the total number of new wells drilled since Tatweer's inception in 2010 to 1,535, including 34 Khuff gas wells. The new wells drilled in 2022 were all primary wells, which resulted in the production of an additional full year average of 2,600 bpd. In addition, Tatweer has also completed extensive fiber network infrastructure upgrades throughout the Bahrain Field in 2019.

#### *Oil and gas discovery*

On 4 April 2018, NOGA announced a discovery of oil and gas resources in Bahrain, comprising: (i) unconventional oil resources within the Khalij Al-Bahrain Basin encompassing areas both offshore and onshore Bahrain, close to a fully-operational oil field and with potential for substantial cost optimisation; and (ii) significant gas reserves in two accumulations below Bahrain's main gas reservoir.

The appraisal and early production of the Pre-Unayzah (deep gas) resources are currently ongoing. Two wells are already in production and are connected to the gas supply network. In addition, Tatweer drilled and completed three additional wells in 2022 to appraise and develop gas reserves in the Jubah and Jauf reservoirs. The appraisal campaign has been expanded to include drilling, testing and potentially producing seven additional wells in 2023 and 2024. These wells will be key in evaluating the reservoirs and a full field development of these resources. Tatweer is also engaged in joint evaluation studies with regional NOCs and IOCs to re-evaluate the technical and economic feasibility of Khalij Al-Bahrain Basin development, and to put together working recommendations to identify the best approach to develop both resources.

In addition, Tatweer continues its efforts in the technical de-risking of different exploration and appraisal opportunities through the acquisition, processing and interpretation of geological and geophysical data, with a number of in-house and third party studies conducted. Tatweer has engaged a number of IOCs through virtual and physical data-rooms to assess the potential for joint collaboration in offshore oil exploration and production projects.

Tatweer also recently made advancements in the appraisal of its tight gas reserves in the Pre-Unayzah formations within the Awali Field. Peripheral Khuff wells were deepened to acquire important geological and reservoir data confirming the extension of gas reserves beyond the previously penetrated limits. Two dedicated Pre-Unayzah wells were drilled, completed and currently producing with average of 12 mmscfd. In addition, Tatweer drilled three additional wells in 2022 to appraise and develop gas reserves in the Jubah and Jauf reservoirs. The appraisal campaign has been expanded to include drilling, testing and potentially producing seven additional wells in 2023 and 2024.

### ***Bahrain Field Oil and Gas Development and Expansion Programme***

#### *Project Description*

The Bahrain Field Oil and Gas Development and Expansion Programme is a major development project which is expected to be one of the Group's largest projects in the medium-term, and consists of a number of related oil and gas development projects which are expected to be managed in a coordinated manner with a view to maximising onshore oil and gas production and recovery.

The gas development component of the Bahrain Field Oil and Gas Development and Expansion Programme involved the drilling and commissioning of 11 new gas wells, as well as the appraisal of the newly discovered resources from the Jauf, Jubah and Tawil formations. In addition, the project is also expected to involve technical studies and analysis, as well as the parallel construction of additional facilities (including low pressure gas dehydration units and non-associated gas compression facilities), debottlenecking projects and improvements to gas transmission and distribution networks. The integrated gas plan of the project is expected to increase gas reserves capacity by approximately 5.2 tcf following its completion.

The oil development component of the Bahrain Field Oil and Gas Development and Expansion Programme will involve the drilling and commissioning of over 400 new oil wells, as well as the development of additional oil production facility enhancements, including new manifold wells, associated gas compression units and flow line upgrades. Oil recovery enhancement initiatives currently being considered include acid fracturing and cyclic gas stimulation. The oil development component of the project resulted in average crude production of 39.5 thousand barrels of oil per day in 2022.

#### *Estimated Project Cost and Funding*

The total cost for this project is expected to be U.S.\$4.2 billion (comprising U.S.\$2.5 billion allocated to the gas development component and U.S.\$1.7 billion allocated to the oil development component). To date, costs in relation to the project have financed by the Company through existing internal funds, with the potential for other sources of finance to be considered. See "*Risk Factors—Risks relating to the strategy of the Group—The Group may experience difficulties in funding its significant planned capital expenditure programme*".

### **Banagas and Tawseah**

Banagas is a joint venture in which the Company holds a 75 per cent. stake and each of Chevron Bahrain and Boubyan Petrochemicals hold a 12.5 per cent. stake. Tawseah is a wholly-owned subsidiary of the Company.

Banagas was formed on 17 December 1979 in order to construct, own and operate four gas compressor stations, a processing plant to recover propane, butane and naphtha, and a storage area, with the primary objective of processing associated gas extracted from the Bahrain Field into high-value marketable products. The first shipment of 5,000 metric tonnes of butane was made in March 1980. Since then, Banagas has continued to produce products that are exported worldwide.

Due to a substantial increase in the quantity of associated gas extracted from the Bahrain Field as a result of continuing development of the Bahrain Field, an expansion project was launched in 1988 to upgrade plant processing capacity from 170 mmscfd to 280 mmscfd (the “**LPG Facilities Expansion Project**”). The LPG Facilities Expansion Project, which was implemented by the Government as a sole venture, involved construction of two additional compressor stations and a new processing train adjacent to the Banagas production facilities. The compressor stations and processing train were commissioned in October 1990. Further compressor stations were constructed in 2003 and 2013 to process additional quantities of associated gas and refinery off-gas produced by Bapco and Tatweer, which increased the total nominal processing capacity of the facilities from 280 mmscfd to its current capacity of 303 mmscfd, comprised of 285 mmscfd associated gas from Tatweer and 18 mmscfd of refinery off-gas from Bapco.

In 2008, the LPG Facilities Expansion Project was converted into an independent company, Tawseah, solely owned by the Company. The assets of Tawseah are operated and managed by Banagas under a management and operating agreement. For providing such services, Banagas receives an annual fee from Tawseah equivalent to 3 per cent. of Tawseah’s net profit for the year, subject to a maximum annual fee of U.S.\$450,000. Under the management and operating agreement, Banagas carries out, among other things, product marketing for Tawseah.

Additionally, low pressure non-dehydrated refinery off-gas is supplied from Sitra Refinery by Bapco to Banagas and Tawseah, where it is compressed along with the associated gas provided by Tatweer and delivered to the central gas plants for recovery. The central gas plants are able to recover propane, butane and naphtha from associated gas and refinery off-gas. The liquefied propane and butane are transferred to refrigerated storage tanks located at the Sitra port for loading onto ships, while the naphtha is sent to Bapco for storage and subsequent export. Residue gas resulting from the extraction process is used as fuel for Banagas and Tawseah furnaces and gas turbines, while the rest is supplied to Alba, the EWA Riffa power station and distributed to Bapco for use in the Sitra Refinery.

Banagas and Tawseah currently own and operate five tanks with a total storage capacity of 800,000 barrels at the Sitra storage area, which are dedicated to propane and butane. Bapco currently handles and stores naphtha on behalf of Banagas and Tawseah, while the marketing of naphtha is performed by Banagas, in accordance with a naphtha service agreement entered into on 15 June 2002, as amended on 7 July 2021.

Banagas sells its products and those of Tawseah, including propane and butane recovered from processed refinery off-gas received from Bapco, to offtakers on term basis marketing contracts. Pre-qualified offtakers are invited to participate in a sealed tender process for a one-year term contract, with production for LPG and naphtha each sold as a single tender. The successful bidder for LPG agrees to purchase all quantities of LPG produced, while the successful bidder for naphtha agrees to purchase naphtha in shipments of 25,000 MTs or 50,000 MTs +/- 5 per cent. each. Pursuant to a Sitra Wharf operating agreement entered into in June 2012, operating fees are reviewed annually and adjusted based on changes to the Government consumer price index. In each of the years ended 31 December 2020, 2021 and 2022, ITOCHU Corporation was awarded the term contract for the supply of LPG and Marubeni Petroleum Co. Ltd. was awarded the term contract for the supply of naphtha.

Bapco operates all of Banagas’ export activities at the Sitra Wharf (including loading of vessels), which are managed by a separate Sitra Wharf agreement between Banagas and Bapco, with Banagas being responsible for all calling vessels and loading operations.

In the year ended 31 December 2022, 119,013 metric tonnes of propane, 128,325 metric tonnes of butane and 307,643 metric tonnes of naphtha were produced by Banagas and Tawseah. In addition, 52,022 metric tonnes of product was recovered from refinery off-gas on behalf of Bapco.

In the year ended 31 December 2021, 109,386 metric tonnes of propane, 123,254 metric tonnes of butane and 288,924 metric tonnes of naphtha were produced by Banagas and Tawseah. In addition, 41,424 metric tonnes of product was recovered from refinery off-gas on behalf of Bapco.



In the year ended 31 December 2020, 148,579 metric tonnes of propane, 151,309 metric tonnes of butane and 333,976 metric tonnes of naphtha were produced by Banagas and Tawseah. In addition, 55,301 metric tonnes of product was recovered from refinery off-gas on behalf of Bapco.

### ***Bahrain Gas Plant Project***

#### *Project Description*

As a result of the increased exploration and development of the Bahrain Field by Tatweer, the volume of associated gas produced from the Bahrain Field increased to approximately 650 mmscfd, which is beyond the previous capacity of Banagas and Tawseah. The additional gas was previously re-injected into the Bahrain Field. Tawseah was therefore engaged in the construction of a new gas processing facility adjacent to the existing gas processing facilities of Banagas and Tawseah and associated storage and other facilities.

The new gas processing facility has a nominal processing nameplate capacity of 350 mmscfd to receive the additional associated gas and refinery off-gas and recover propane, butane and naphtha, which will be exported using vessels via the Sitra port. The project also included the construction of additional storage tanks, including a refrigeration train at the Sitra storage area, the construction of new pipelines between the gas processing facility and the Sitra storage area, as well as the installation of a new pipeline to transport the refinery off-gas from the existing refinery off-gas pipeline and compressed along with the associated gas at Tatweer compressor station and which is sent finally to a new gas processing facility via a new pipeline or gas gathering header, and the construction of a 66 kilovolt electric substation adjacent to the existing Central Gas Plant

Tatweer supplies the new gas processing facility with 350 mmscfd of associated gas through an incremental associated gas processing agreement entered into between NOGA, the Company, Tatweer and Tawseah dated 31 October 2016 and set to expire on 31 October 2031. Refinery off-gas is supplied by Bapco with processing of refinery off-gas being undertaken for a fee, set out in the existing refinery off-gas processing agreement in place between Bapco and Banagas dated 3 January 2008.

The front-end engineering design work for the project was carried out by Worley. On 27 January 2016, Japan's JGC Corporation signed a U.S.\$355.7 million engineering, procurement, and construction contract for the construction of the new gas processing facility and related facilities. On 5 October 2016, JGC Gulf International (part of JGC Corporation) was awarded a U.S.\$98.7 million engineering, procurement, and construction contract by Tawseah for the expansion of the storage facilities at Sitra. The construction of the new gas processing facility and related facilities and the expansion of the storage facilities at Sitra was completed in 2018 on time and within budget.

#### *Project Cost and Funding*

The total construction cost of the new gas processing facility was U.S.\$645 million. The project was financed through a mixture of *Shari'ah* compliant and conventional debt financing, with U.S.\$515 million of total lending commitments having been provided by international and regional banks to Tawseah and a shareholder loan for U.S.\$76.5 million extended to Tawseah by the Company. An equity contribution of 20 per cent. amounting to U.S.\$130 million was funded by a shareholders loan of U.S.\$76.5 million and the balance was funded by way of cash flow from Tawseah. Tawseah has subsequently refinanced the facilities obtained in connection with the project. See "*Management's discussion and analysis of financial condition and results of operations of the Group—Borrowings*".

### **BAFCO**

BAFCO was established as a Bahraini closed shareholding company in 1985 and is responsible for all aviation refuelling operations at Bahrain International Airport. It is a joint venture in which the Company holds a 60 per cent. interest, Chevron Asia Pacific holds a 27 per cent. interest and BP Middle East holds a 13 per cent. interest. BAFCO supplies aviation fuelling services to airlines at Bahrain International Airport on behalf of Bapco, Chevron Asia Pacific and BP Middle East as aviation fuel suppliers. BAFCO provides its services at a cost to each aviation fuel supplier based on a ratio of fuel sold by each supplier. Each of Bapco, Chevron Asia Pacific and BP Middle East independently negotiate the terms and conditions of their supply of aviation fuel and sales with the airlines independent of BAFCO.

The aviation fuel supplied by Bapco, Chevron Asia Pacific and BP Middle East to airlines is produced to international specifications by Bapco at the Sitra Refinery. The aviation fuel is transported from the Sitra Refinery

to Bahrain International Airport through a system of pipelines. The fuel is first pumped from the BAPCO Refinery to the Sitra storage depot and then by dedicated pipeline to the new BJFCO airport depot. The new storage depot is located within the Bahrain International Airport boundary. The jet fuel is pumped from this depot and supplied to aircraft primarily via an underground pressured pipe network called a hydrant. Approximately 20 per cent. of jet fuel is supplied to aircraft via mobile tankers.

The pipeline originating from the Sitra Marketing Terminal to the Arad depot fuel storage facility is jointly owned by the Company, Chevron Asia Pacific and BP Middle East, while the hydrant pipeline network was sold to BJFCO in 2017. BAFCO, by way of operating agreements, manages, operates and maintains the pipelines originating from the Sitra Marketing Terminal, as well as the BJFCO airport depot and the hydrant facilities. BAFCO provides its services at a cost to each shareholder based on a ratio of the shareholding of each shareholder. Pursuant to a separate operating agreement between Bapco and BAFCO, the Sitra Arad pipeline is operated and maintained by Bapco in a way that suits BAFCO's operational requirements.

BAFCO currently supplies approximately 466,000 US gallons of aviation fuel per day to an average of 101 aircraft at the Bahrain International Airport. In 2022, 36,850 aircraft were refuelled by BAFCO, with a total uplift of 170 million gallons. All types of aircrafts, including helicopters, are presently served by BAFCO and BAFCO is also rated to serve the Airbus A380, the world's largest commercial airliner.

BAFCO's current fleet consists of 11 dispensers and eight fuellers, with the largest fueller currently in the fleet having a capacity of 80,000 litres. Varying capacities among the fueller fleet add flexibility to the fuel delivery service. Careful scheduling of the mobile fleet is co-ordinated to meet the needs of the airline customers, and provide 24-hour coverage.

The formation agreement between the Bapco, Chevron Asia Pacific and BP Middle East pursuant to which BAFCO was established, expired on 30 June 2015. However, on 22 June 2015, the Government resolved to extend the contract with BAFCO to deliver jet fuel until the completion of construction and operation of new jet fuel tanks constructed inside Bahrain International Airport. This was part of the new plane-fuelling infrastructure put in place in order to move the current storage tanks away from the Arad storage facility. See "*Associates—BJFCO—Refuelling Infrastructure Project*". BAFCO expected to commence operating the new storage facilities and hydrant facilities at Bahrain International Airport in 2021, pursuant to a new two-year operational and maintenance agreement entered into with BJFCO in March 2020, which was due to commence following the handover of the new facility to BAFCO in 2021. Due to delays in the construction of the new BJFCO storage depot, the handover did not occur until April 2021. The BAFCO team moved into the depot in the subsequent weeks following the handover and supported commissioning. A two year maintenance and operating agreement commenced in April 2021 and was due to expire in April 2023. This agreement has subsequently been extended a further 12 months and now expires in April 2024. The BJFCO did not become fully operational until 5 January 2022. The existing Arad depot was used to supply the airport until 5 January 2022. Demolition of the Arad depot started in late 2022 and is expected to be completed by the first half of 2023. In April 2017, Bapco, Chevron Asia Pacific and BP Middle East signed an exclusive concession agreement with BAC, pursuant to which BAFCO will continue to provide aviation fuelling services to airlines at Bahrain International Airport on behalf of Bapco, Chevron Asia Pacific and BP Middle East as the aviation fuel suppliers. This concession agreement is due to expire in April 2026.

## **BGB**

BGB was established in 2016 as a joint venture between the Company, Bapco and Greenergy, to develop new dedicated blending facilities in Bahrain that will allow it to process a wide variety of gasoline components and position Bahrain as a leading participant in the gasoline markets in the Middle East. The Company holds 85 per cent. of the issued share capital in BGB, of which 42.5 per cent. is owned directly and 42.5 per cent. is owned indirectly through Bapco. The remaining 15 per cent. is owned by Greenergy.

The joint venture combines Bapco's infrastructure and refinery gasoline production with Greenergy's blending, terminal operations and trading expertise to meet Bahrain's domestic demand for gasoline blend components as well as create opportunities to import and export gasoline blend products.

Bapco has made available to BGB its entire refinery production of LLCN, MCN, polymer gasoline, platformate, HCU light naphtha and mixed liquefied petroleum gas, alongside utilising its tank storage capacity, import components and export finished grade gasoline from Bapco's jetties.

BGB commenced gasoline blending and domestic sales in the first quarter of 2017, with import and export operations to sellers and buyers in the Arabian Gulf, Mediterranean and Asia having commenced in September 2017.

### Saudi Bahrain Pipeline Company

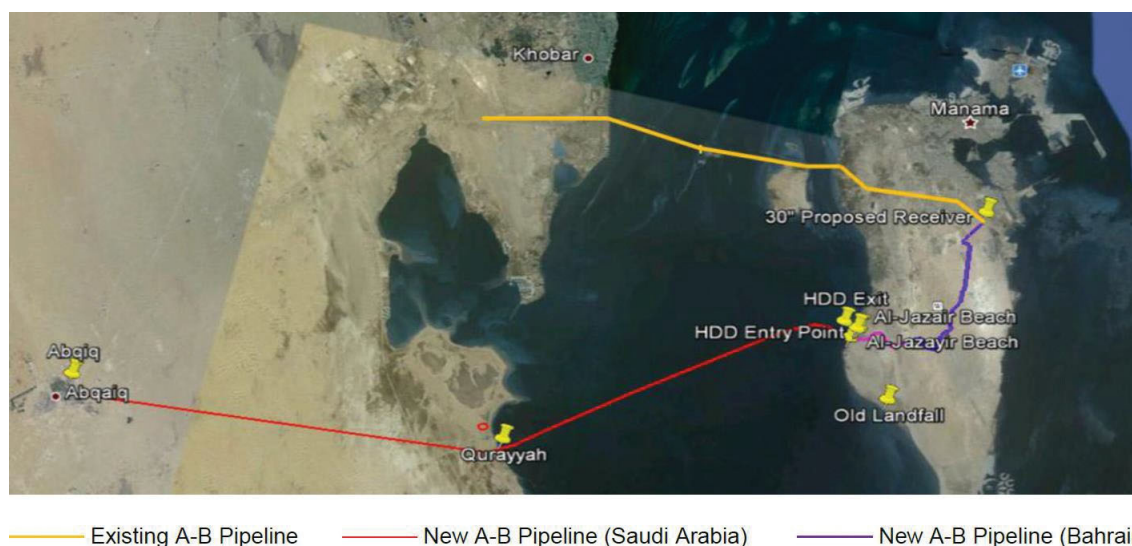
SBPC is a wholly-owned subsidiary of the Company established in 2017 and formed to own the Bahrain portion of the New AB4 Pipeline.

#### *New AB4 Pipeline*

##### *Project Description*

A 118 km long 30-inch pipeline, with a maximum nameplate capacity of 400,000 bpd, and a normal operating capacity of 350,000 bpd was completed in 2018. This has replaced the existing 235,000 bpd pipeline built in 1945 and runs partly onshore and offshore. The New AB4 Pipeline links the Sitra Refinery to Saudi Aramco's plant at Abqaiq, eastern Saudi Arabia. Abqaiq Plant is Saudi Aramco's largest oil processing facility and the largest crude oil stabilisation plant in the world. The facilities receive sour crude oil from gas-oil separation plants, process it into sweet crude oil and then transport it. Fibre optic cable is also laid alongside the pipeline for data communication purposes.

The map below shows the location of the New AB4 pipeline.



The front-end engineering design of the pipeline was completed in 2014 by Worley. Contracts for the 43 km long onshore Saudi Arabia stretch of the pipeline and the 41 km offshore stretch were awarded to Al Robaya Holding Company of Saudi Arabia and UAE's National Petroleum Construction Company, respectively. The construction contract for the 28 km onshore Bahrain stretch was awarded to Ramsis Engineering Company of Bahrain. The new pipeline was completed and commissioned in October 2018.

The portion of the new pipeline in Bahrain is owned by SBPC, a wholly-owned subsidiary of the Company, and Saudi Aramco owns the portion of the pipeline in Saudi Arabia. The pipeline is subject to a leasing agreement between Bapco and SBPC, pursuant to which Bapco leases the portion of the pipeline in Bahrain from SBPC for a period of 40 years. Saudi Aramco does not require Bapco to enter into any leasing arrangement with respect to the portion of the pipeline in Saudi Arabia.

Bapco operates and maintains the Bahraini portion of the pipeline, while Saudi Aramco will operate and maintain the Saudi and offshore portion of the pipeline, with Saudi Aramco receiving reimbursement from Bapco for any costs incurred in such operation and maintenance activities. All operation and maintenance activities are governed by a separate operation and maintenance agreement entered into in 2019.

### *Project Cost and Funding*

The total cost of the pipeline was U.S.\$311 million. The cost for the entire pipeline (including the portion of the pipeline in Saudi Arabia) was funded by the Company, with the Company entering into a U.S.\$1.4 billion Murabaha facility arrangement in October 2019 with a consortium of banks, which replaced a U.S.\$570 million Murabaha facility entered into in 2016, and was also subsequently refinanced in 2022 (see “—*Murabaha facility*”), with part of the proceeds from the facility being utilised to fund the construction of the project. The rest of the proceeds were used in order to make equity contributions to BGB and BJFCO and to assist with funding the projects currently being undertaken by Tawseah and general corporate purposes. See “*Management’s discussion and analysis of financial condition and results of operations—Borrowings*”.

### **BRC**

BRC is a 100 per cent. subsidiary owned by the Company that was established in 2019 following the carving-out of the operations of Bapco’s 20 service stations. BRC currently owns and operates 21 service stations (including Maamer service station which is estimated to begin operations by the end of 2023) in addition to a new station that will be commissioned in 2022 at Hamad Town roundabout 14 (Al Wadi Service Station). Eight of BRC’s stations are operated by third parties through clawback arrangements. In addition, BRC operates three private stations through an agreement with the stations’ owner. The main objectives of BRC include managing the existing network of service stations and expanding its services by developing new service stations and ancillaries. In the year ended 31 December 2022, BRC made fuel sales equivalent to an estimated 300 million litres of product.

### **Aromatics Petchem**

Aromatics Petchem is a 100 per cent. subsidiary owned by the Company that was established in 2015 to procure the development of an aromatics production complex. The Company holds 100 per cent. of the issued share capital of Aromatics Petchem.

### **Aromatics Complex**

#### ***Project Description***

Aromatics Petchem is in the process of constructing an aromatics complex to convert the relatively low-value naphtha into high-value products. Approximately 1.44 million metric tonnes per year of paraxylene and 641,000 metric tonnes per year of benzene is expected to be produced by the complex, once operational, which will be exported from Bapco’s Wharf. A significant by-product of this process is hydrogen, which will be distributed to Bapco for consumption by the Sitra Refinery. The project currently has no fixed completion date, although the timing for completion of the project is still under review and construction is currently on hold due to the prioritisation of other strategic initiatives, including the Bapco Modernisation Programme, and subject to ongoing feasibility studies.

The plant will be located on a greenfield site adjacent to the Sitra Refinery. Following completion of the Bapco Modernisation Programme, naphtha production at the Sitra Refinery is expected to be in the region of around 95,000 bpd, of which 70,000 bpd will be routed to the plant as feedstock. The balance (mainly heavy naphtha) will be imported through Bapco’s Wharf.

Initial feasibility was based on a detailed study carried out by Wood Mackenzie in 2014. Since then, the front-end engineering design has been completed by Technip FMC, Worley has been selected as the project management consultant, Honeywell UOP has been selected as the technology licensor and an environmental and social impact assessment report has been carried out by Bahrain-based Environmental Arabia.

#### ***Estimated Project Cost and Funding***

The total project cost is currently estimated at BD902.4 million (U.S.\$2.4 billion), with the project expected to be financed by a mixture of debt and equity financing.

### **ASSOCIATES**

The Group currently comprises the following associates.

## **GPIC**

GPIC is an equally-owned joint venture company between the Company, SABIC and PIC established in 1979 for the manufacture of fertiliser and petrochemicals.

GPIC uses Khuff gas provided by Tatweer through the gas distribution network as a feedstock for the production of ammonia, urea and methanol. In addition to the three production plants (one ammonia plant, one methanol plant and one urea plant), the complex comprises a utilities plant, maintenance workshops, warehouses, offices, stores and laboratories.

The complex started commercial production in 1985 and GPIC currently produces approximately 1,200 metric tonnes of ammonia per day, approximately 1,700 metric tonnes of granular urea per day and 1,200 metric tonnes of methanol per day. For the year ended 31 December 2022, GPIC produced 670,380 metric tonnes of urea, 419,347 metric tonnes of methanol and 420,896 metric tonnes of ammonia. Total production for the three products in the year ended 31 December 2022 was 1,510,623 metric tonnes and 1,227 metric tonnes of these products were exported in the year ended 31 December 2022. For the year ended 31 December 2021, GPIC produced 706,544 metric tonnes of urea, 445,757 metric tonnes of methanol and 459,788 metric tonnes of ammonia. Total production for the three products in the year ended 31 December 2020 was 1,612,089 metric tonnes.

Bapco undertakes all of GPIC's export activities for ammonia and methanol at its wharf (including loading of vessels), pursuant to an agreement between GPIC and Bapco, in exchange from which Bapco receives a fee. The export of urea is undertaken at GPIC's dedicated export terminal. GPIC exports its products internationally to destinations in North America, India, Australia, Europe, Africa and Asia. The marketing of methanol is handled by SABIC, while the marketing for ammonia and urea is handled by PIC.

## **Bahrain LNG**

Bahrain LNG was established in 2015 for the purpose of designing, financing, constructing, commissioning and operating the Bahrain LNG Import Terminal comprising an offshore LNG reception and regasification facility, a gas pipeline and an onshore receiving facility in Bahrain.

The Company holds 30 per cent. of the issued share capital in Bahrain LNG, with the remaining issued share capital being held by each of Seapeak Maritime Operating LLC (formerly Teekay LNG Operating LLC) (30 per cent.), initially formed by Teekay Corporation as part of its strategy to expand its operations in the LNG and liquefied petroleum gas shipping sectors, Gulf Investment Corporation GSC (24 per cent.), the venture capital arm of The Cooperation Council for the Arab States of the Gulf and owned equally by the governments of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE and Sam Gulf Investment Limited (16 per cent.), which forms part of the Samsung Group.

### ***Bahrain LNG Import Terminal***

#### *Project Description*

The Bahrain LNG Import Terminal, which was commissioned in November 2019 and has been operational since 1 December 2019, forms a key part of the energy infrastructure of Bahrain, allowing Bahrain to supplement available natural gas by importing LNG to mitigate against and to handle any potential gas shortages, as well as reduce Bahrain's dependence on oil. The Bahrain LNG Import Terminal has been developed in order to give Bahrain security of supply necessary to meet its growth in demand for natural gas to fuel industrial projects, generate power and water and procure internationally-traded LNG on a competitive basis. As part of its long-term energy strategy, the Government made a strategic decision to import LNG into Bahrain to reduce its dependence on domestic oil and gas, as well as focusing on alternative sources of energy. The Government's LNG import strategy is based around the Bahrain LNG Import Terminal project.

The Bahrain LNG Import Terminal is located offshore, approximately 5 km north east of the Khalifa Bin Salman port in Bahrain and was developed on a build-own-operate-transfer basis with Bahrain LNG holding a 20 year operating licence before the assets are transferred to the Government. The Bahrain LNG Import Terminal is comprised of a floating Storage Unit, a regasification platform, onshore receiving facilities and associated utilities and infrastructure. The Bahrain LNG Import Terminal has been built with a regasification capacity of 800 mmscfd and can send out conditioned gas, interchangeable within the existing Bahrain network, of 500 mmscfd. It has a storage capacity of 173,400 cubic metres.

The construction of the terminal itself, including construction of the breakwater, dredging activities and the ground piling works for the LNG jetty and associated platform, was undertaken by GS Engineering & Construction Corp. and the floating storage unit was constructed by Daewoo Ship Building & Marine Engineering Co.

### *Project Cost and Funding*

The total cost of the Bahrain LNG Import Terminal is U.S.\$1,047 million (which includes financing costs). The Bahrain LNG Import Terminal was financed through a mixture of limited recourse debt financing and equity contributions. Bahrain LNG achieved financial close for its U.S.\$741 million international financing with a commercial tranche by a syndicate of three international and regional banks (reduced to two banks as of 31 December 2022 due to a secondary market transaction) and a separate K-SURE covered tranche by a syndicate of seven international and regional banks (increased to nine banks as of 31 December 2022 due to secondary market transactions), in December 2016. As at 31 December 2022, U.S.\$79.1 million of the equity contributions had been funded by the Company through share capital and a shareholder loan. The current value of this contribution after capitalisation of interest on the shareholder loan is US\$84.03 million as of 31 December 2022. See “*Management’s discussion and analysis of financial condition and results of operations of the Group—Borrowings*”.

### **Asry**

Asry is a 37 per cent. associate owned by the Company that was incorporated in the Kingdom of Bahrain on 1 December 1974 in accordance with an agreement with OPEC dated 8 December 1973. Asry was registered with the Ministry of Industry and Commerce (formerly the Ministry of Industry, Commerce and Tourism) in the Kingdom on 3 April 1975 as a Closed Joint Stock Company. The Company holds 37 per cent. of the issued share capital of Asry.

As part of debt restructuring of Asry, the Company has an obligation to provide an interest free shareholder loan up to an amount of BD11.3 million (U.S.\$30 million). Both parties are in the process of implementing a shareholder loan agreement.

Asry operates as a maritime repair and fabrication facility, maintaining ships, rigs and naval vessels, as well as engineering and constructing offshore and industrial components. Asry’s facilities include a 500,000 dwt dry-dock, two floating docks of 252m and 227m in length, 15 repair berths with a total length of approximately 5,000m, twin 255m slipways, a 250,000 sqm fabrication area, and a full range of workshops and service centres. Asry is currently undergoing a modernisation programme aimed at maintaining its maritime market position, as well as diversifying its revenue streams to penetrate the local and regional industrial services and fabrication industry, with particular focus on the oil and gas sector. This modernisation programme includes infrastructure and machinery investments and a restructuring of human resources, financial position, and supply chain processes. In addition, the modernisation programme is also expected to entail further infrastructure and production-related investments and a facility-wide digital transformation project.

### **Trident Logistics**

Trident Logistics (formerly Schmidt Logistics Bahrain W.L.L) was established in 2017 as a joint venture between the Company and Schmidt ME Logistics Company S.P.C for the construction of a new dry bulk logistics hub on the 37,000 square metre leased plot of land in the Bahrain Logistics Zone next to the Khalifa Bin Salman port to store, handle and distribute different bulk materials, including polyethylene, polypropylene, catalysts and additives for the chemical and petrochemical industry, for clients looking to import into, and export out of, Bahrain. The logistics hub officially became operational in August 2017. The total cost for the establishment of the logistics hub was U.S.\$13.5 million. The total cost of construction and pre-operating was equal to BD5.1 million.

In June 2018, the business model re-focused on leasing logistics infrastructure, with the expansion of an additional land parcel measuring approximately 38,000 square metres. 24,000 square metres of land has been fully leased to one major customer (Trident EP), with the remaining unutilised land being considered for future investments.

### **JOINT OPERATIONS**

The Group currently has the following joint operations.

## **Bahrain Lube**

Bahrain Lube was established in 2009 as a joint operation between the Company, Bapco and Nesté Bahrain, a wholly-owned subsidiary of Nesté Corporation, in order to fund, design, construct and operate a lube base oil plant located at the Sitra Refinery. In March 2022, Nesté Bahrain sold its stake in Bahrain Lube to the Company. The Company holds 72.5 per cent. of the issued share capital in Bahrain Lube, with the remaining 27.5 per cent. owned by Bapco.

The lube base oil plant is located at the Sitra Refinery and started operations in October 2011. Bapco leases the site on which the lube base oil plant is situated to Bahrain Lube and provides hydrocracker unconverted oil and hydrogen as feedstock to each of the Company and Bapco, who in turn supply the feedstock, in proportion to their respective shareholding, for processing at the lube base oil plant. The lube base oil plant is owned by the shareholders of Bahrain Lube in proportion to their respective shareholding.

Bapco has agreed to provide services, for a period of 20 years, relating to the operation and management of the lube base oil plant and all facilities for the receipt of raw materials used or consumed in the production, manufacture and processing therein and all facilities for the transportation from Bapco's hydrocracker plant in Sitra to the lube base oil plant or from the lube base oil plant to Bapco's oil export terminal at Sitra. In return for these services, Bahrain Lube pays Bapco a general services and management fee and a wharfage and terminalling fee covering costs relating to the operation and maintenance of the wharf and associated terminalling operations and facilities for each operating year, together with all operating costs actually incurred by Bapco.

The production capacity of the lube base oil plant is 400,000 metric tonnes per year of very high viscosity index, Group III lubricant base oils, which is used in high-quality lubricants. In the year ended 31 December 2022, the lube base oil plant produced 2,330,000 barrels (310,000 metric tonnes) of lubricant base oil. Commercial sales by Bapco of its own branded BAPbase® Group III base oils started in January 2018.

Nesté Bahrain marketed, distributed and sold the products produced at the lube base oil plant to third party customers located in the European and North American markets for a marketing fee from the initial start-up date of the lube base oil plant pursuant to a marketing and distribution services agreement. However, this marketing and distribution services agreement expired in October 2017, and Bapco is now responsible for marketing, distributing and selling the Company's and Bapco's share of the products produced at the lube base oil plant through its registered brand "BAPbase®". Bapco's domestic lubricant sales have increased in recent years, with a range of industrial lubricants, such as turbine oils and industrial gear oils, being developed for use at refineries, with Bapco targeting new customers and distributors within the GCC and abroad, including large international oil companies, such as Shell and Chevron.

## **BJFCO**

BJFCO is a joint venture owned equally between the Company and BAC (a wholly-owned Government entity). BJFCO was established on 16 May 2016 as a limited liability company for the purpose of financing and constructing the new refuelling infrastructure and procuring the aviation fuel hydrant supply chain network at Bahrain International Airport following the relocation of the existing refuelling facilities.

### ***Refuelling Infrastructure Project***

#### *Project Description*

In April 2021, BJFCO completed a 30,000m<sup>3</sup> tank farm storage facilities project (the "Fuel Farm") which was successfully tested, commissioned and handed over to the Bahrain Aviation Fuelling Co. to manage, maintain and operate the Fuel Farm for an initial contract period of two years and extended by 12 months to now expire in March 2024. This contract can be further extended by mutual agreement of both parties. In addition, the construction, testing and commissioning of phase 1 and 2 of a related hydrant expansion system was tested, commissioned and handed over to the operator on October 2020, and phase 3 was completed, tested and handed over to the operator in March 2023 (with a defect liability period running until November 2023).

Following the completion, testing and commissioning of the Fuel Farm, existing fuel tanks and fuel supply pipelines in Arad were demolished. There were three main reasons behind the relocation of the Arad tank farm. Firstly, the area surrounding the current tank farm has become residentially over-populated. Secondly, there was limited storage capacity in place. Thirdly, the Government plans to ensure greater refuelling efficiency and into-

plane services by, importantly, ensuring that refuelling infrastructure is moved under direct Government control, with BJFCO upgrading and taking ownership of the hydrant system distribution network which is already in place.

Furthermore, BAC has requested to transfer its shares in BJFCO to Gulf Air Group Holding by issuing a formal notice to the Company seeking its no objection to the transfer. The Company initially objected to the transfer and offered to purchase the shares itself; however negotiations are currently ongoing. The Company is further exploring and studying transformational changes to assist in the promotion of Bahrain International Airport for setting competitive fuel pricing and providing a transparent fee system to promote Bahrain as a fuelling hub in the region, in turn attracting airlines and developing the possibility for new routes which will help increase passenger numbers and the national economy.

#### *Project Cost and Funding*

The total cost for the project was initially estimated at BD30 million (U.S.\$79.8 million), with the costs being funded by a shareholder loan, with a BD15 million (U.S.\$39.9 million) commitment from each of the Company and BAC.

As at 31 December 2022, the cost of the project was approximately U.S.\$77 million. The board of BJFCO approved an 8 per cent. capex recovery initially funded through U.S.\$1.35 million in equity with the remaining U.S.\$75.65 million funded through a loan. The shareholders of BJFCO together agreed to provide a shareholder loan to BJFCO of up to BD15 million each in order to fund the aviation fuel farm and fuel hydrant system projects at Bahrain International Airport, which shall be repayable once BJFCO has sufficient funds available for the purpose of repayment and BJFCO's board of directors approves the repayment.

#### **COMPETITION**

The Company believes that its primary mandate to invest in energy and energy-related industries in Bahrain in a commercial and profitable manner is unique among Government-owned holding companies focused on strategic growth and investment, and the Company does not believe it faces significant domestic competition in carrying out this mandate. However, certain of the Company's businesses face competition in their specific business areas. The nature and extent of this competition, and its effect on the Group as a whole, varies depending on the businesses concerned and the particular products being offered.

Management believes that the diversification of the Group's activities offers a level of protection against the adverse effects of one or more of its investments facing significant competition in their sphere of operations.

#### **INTELLECTUAL PROPERTY**

The ownership and control of intellectual property generated by companies within the Group is an important consideration for the Group when negotiating new joint ventures. Where practicable, the Group seeks to ensure that any intellectual property developed remains in the ownership of the joint venture and also aims to ensure that such intellectual property is protected against infringement using appropriate tools available. In addition, portfolio companies will enter into relevant licensing agreements with providers of technology, where such technology is to be used in projects and/or infrastructure of that portfolio company.

#### **INFORMATION TECHNOLOGY**

The Company seeks to ensure that its IT systems and software meet the requirements of its business, are effectively maintained and are kept up to date. The Company has an online document management system that is available 24 hours a day and seven days a week, and its in-house IT team is responsible for IT support and maintenance. The Company has implemented the Oracle enterprise resource planning system to improve its internal controls and is seeking to ensure that its jointly controlled entities and subsidiaries have the appropriate links to the central system.

The threats to security from internal and external abuse are monitored and the Company believes appropriate measures have been enacted to prevent such threats. Controls have also been put in place to ensure appropriate levels of confidentiality of information. The Company has prepared a disaster recovery plan to deal with the loss of critical IT services.

The Group has also recently begun collaborating with AIQ, a UAE-based technology company focused on the artificial intelligence ("AI") powered transformation of the energy sector, to integrate and deploy AI and digital



solutions into its upstream operations. This collaboration will utilise the latest AI technologies provided by AIQ to increase operational efficiency in subsidiaries of the Company. This digitalisation project will use machine learning and data science to enhance existing field architecture to optimise and improve performance while reducing operational risk.

## **RISK MANAGEMENT**

The Company is committed to an effective risk management approach that protects the Company's assets, business and reputation while enhancing shareholder value. One of the key components of the Company's overall risk management strategy is the risk management framework, which is mandatory and operates throughout the Company.

The board-approved risk management framework is based on ISO 31000 (Risk Management Standard), reflecting the statutory requirements of Bahrain and other international corporate governance codes. The risk management framework considers strategic, operational, financial and compliance risks. It covers projects, assets, business units, countries and corporate functions. The significant risks at each level of the Group are escalated upwards on a regular basis.

The risk management framework has been established to identify, evaluate and assist in the management of the risks faced by the Group. The process operates on a mandatory basis across the Group and provides the Company's board of directors with assurance that the major risks faced by the Group have been identified and are regularly assessed, and that wherever possible, there are controls in place to eliminate, reduce or manage these risks.

The board of directors of the Company receives quarterly reports on the significant risks facing the business and the mitigation strategies in place to manage these risks. At the management level, an Enterprise Risk and Business Continuity Management Committee was established in 2011, composed of the risk managers from each of the Company's portfolio companies. The terms of reference of this committee include oversight and monitoring of the significant risks facing the business and review of the proposed mitigation strategies. The Committee meets once every quarter to review the risk management strategy of the Company and its portfolio companies. The key outputs of the risk committee are available to the board of directors and senior management of the Company. The Business Continuity Management policy was also approved by H.E. Shaikh Salman bin Khalifa Al Khalifa, the Minister of Finance and National Economy for Bahrain and the deputy chairman of the Company.

### ***Response to COVID-19 pandemic***

In response to the COVID-19 pandemic, the Company undertook a number of steps to ensure the safety of the Group's employees, and implemented active prevention programmes at its sites and contingency plans in order to mitigate the risks related to COVID-19 and to ensure continuity of the Group's business operations. The Company also established a COVID-19 response taskforce to oversee the Group's response to the pandemic, with members representing each of the Group's operating companies.

The Company initiated a three-stage cost containment exercise designed to manage the Group's administrative and operational costs, including cost-cutting, cancellation of non-essential projects, deferral of certain projects, contract re-negotiation, and the de-prioritisation of initiatives and projects with lower strategic importance. The Group had also delayed plans for drilling and testing a number of key appraisal wells offshore until 2021.

The Group also implemented various measures to limit the spread of COVID-19 and maintain production levels, such as the implementation of a remote working scheme, the adjustment of employee shift schedules and further social distancing measures in its premises. As a result of these measures, all of the Group's operating companies and plants remained fully operational during the COVID-19 pandemic. In particular, the Sitra Refinery maintained a utilisation rate (based on the ratio of crude oil processed to refining capacity) of 83.36 per cent. in 2021, increasing to 94.13 in 2022. The Sitra Refinery was also operating at 97.1 per cent. of its operational availability in 2022.

See also "*Risk Factors—We face risks with respect to the continuing effects of the COVID-19 pandemic*".

## **PROPERTY**

The Company's principal property, its headquarters, is leased and is located on the 13th floor of the GBCORP Tower, Building 1411, Road 4626, Block 346, Bahrain Financial Harbour District, Sea Front/ Manama, Kingdom

of Bahrain, which was granted to the Company by Global Banking Corporation BSC (c). The Company believes that the Group's current facilities are adequate for its present and future operations.

All portfolio companies operate on Government-owned land and are subject to lease agreements with a Government entity that permit the carrying out of necessary activities. This includes the Sitra Refinery, the port facilities, operations at Bahrain International Airport and other portfolio company installations.

## ENVIRONMENTAL COMPLIANCE

The Company and its portfolio companies are subject to various international, national and local environmental laws and regulations governing the emission, discharge, handling, storage, transportation, disposal, import and export of hazardous waste and materials. The Company and its portfolio companies have a strong environmental record and are committed to responsible environmental stewardship and to complying with or exceeding industry standards of all relevant environmental rules and regulations. The environmental management policies of Bapco, Banagas, GPIC and Tawseah are certified to ISO 14001 (Environmental Management System), the internationally-recognised environmental management standard. In addition, GPIC is also certified with Responsible Care Management System RC 14001, Energy Management System ISO 50001 and IFA Protect & Sustain product Stewardship Excellence.

In developing properties and projects, the Company and each of its portfolio companies carry out environmental impact studies, reports and assessments, in order to highlight and address any potential environmental issues.

The Company and each of its portfolio companies possess all material environmental permits and licenses required for the operation of their businesses. As at the date of these Base Listing Particulars, no material environmental claims have been made or asserted against the Group.

## ENVIRONMENTAL AND SOCIAL INITIATIVES

In addition to maintaining its compliance with various international, national and local environmental laws and regulations governing the emission, discharge, handling, storage, transportation, disposal, import and export of hazardous waste and materials, the Group also participates in a number of additional environmental and social initiatives.

### ESG Policy and Working Group

The Company is currently preparing a Group-wide ESG policy and frameworks to govern and align all subsidiaries' ESG plans and future commitments. This will include two separate frameworks: a sustainability linked financing framework based on three emission related key performance indicators and a second transition linked financing framework, which aims to allow the Group to acquire green financing in order to increase efficiency, reduce emissions and increase the use of renewables. As part of this process, the Company has conducted a materiality assessment and expects to issue its first ESG report by July 2023. The Company's materiality assessment exercise was conducted using a phased approach taking into account key stakeholder inputs. From this exercise, certain topics were identified as material and these topics were ranked on a scale of "critical", "high" and "moderate" as follows:

- **Critical:** emissions and climate actions; health, safety and wellbeing; and corporate governance and compliance;
- **High:** human rights; risk and crisis management; cybersecurity; and data privacy; and
- **Moderate:** environmental policy and management, training and development; anti-corruption, business ethics and transparency; economic performance; water and effluents; investments in renewables and clean tech; diversity, inclusion and equal opportunity; and employment (employment attraction and retention).

The Group's ESG working group committee (the "ESG Working Group") was created to aid and support the development of the aforementioned ESG policy and frameworks, and to ensure engagement, alignment and visibility within the Group. The ESG Working Group was created with 28 members representing each company in the Group. In line with the Group's ESG strategy, mandates and commitments, the ESG Working Group assists in collating ESG information from each member of the Group, ensures that activities and

efforts are aligned, builds awareness between all Group employees, facilitates the transfer of knowledge between members of the Group, drives the Group's ESG initiatives and monitors ESG KPIs and targets across the Group.

### **Environmental Initiatives**

Several environmental initiatives have been undertaken by the Company and its portfolio companies with a view to minimising the environmental impact of the Group, as well as supporting Bahrain's broader environmental initiatives, such as the Government's "Circular Carbon Economy" initiative, which aims to reduce energy consumption, provide clean and affordable energy, capture remaining carbon emissions, store carbon safely, identify alternative uses for carbon products, and neutralise the impact of remaining carbon.

The Kingdom of Bahrain is also currently in the process of developing a National Energy Strategy and assisting the Group in the designing of an Operating Strategy. Both strategies are in line with Vision 2030 and are based on certain priorities, including environmental and sustainability initiatives, with a view to achieving the Kingdom's commitment of a 30 per cent. reduction in GHG emissions by 2035 and net-zero by 2060. To support the implementation of the National Energy Strategy, the Company is currently conducting a strategic and financial review with the aim of establishing a comprehensive financial strategy in line with the Group's ongoing effort to transform into a sustainable energy company. For additional information, see "*—Recent Developments*".

Projects undertaken by the Group include a mangrove nursery project undertaken by Bapco and aimed at promoting local mangrove ecosystems through the planting of seedlings at various locations around the Kingdom in accordance with the Kingdom's national plan to quadruple mangroves coverage, including Ma'meer Channel, Ras Sanad, Arad Bay and the Bapco outfall areas. Around 7,000 seedlings have been planted so far in 2023. Tatweer is also in the process of signing a memorandum of understanding with the Supreme Council for the Environment regarding the planting of mangroves. By promoting the growth of mangroves in Bahrain, Bapco aims to support improved water filtration in the surrounding area, the creation of a natural flood barrier and the provision of a carbon sink. In addition, Bapco has conducted a plantation project offering further carbon capture benefits, and undertaken the development of the Princess Sabeeka Park in Awali, which contains more than 51,000 plants, 560 palm trees and 342 fruit and ornamental trees, while also featuring solar cells, wind generators and hydrogen fuel cells. Bapco has also completed a number of community-related projects in cooperation with various stakeholders, such as the rehabilitation of Western Eker Garden in cooperation with the Capital Municipality, creating the first sustainable garden in the Kingdom powered by solar energy. It is expected that, following its completion, the sustainable garden will include features such as solar panels capable of producing 8.8kW of energy. On a related note, in 2018, Tatweer developed Hunainiah Park to provide natural green areas and enhance the surrounding barren desert landscape, with the intention to use recycled water from the oil extraction process to water the park. Another example is the distribution of sustainable solar benches around various locations within the Kingdom, whereby every bench, in addition to serving as a shaded rest area for the general public, is powered with a solar panel, an information board about Bapco, and has a USB port for general use.

Similarly, the Group has undertaken a number of initiatives with the aim of mitigating the effects of climate change. For example, Bapco, in collaboration with the Government, the Bahrain Electricity and Water Authority and the University of Bahrain, has completed a solar energy pilot project involving the installation of over 20,000 solar panels within Bahrain, while Bapco has also commissioned a carbon dioxide recovery project with Middle East Carbon Dioxide which, by providing a waste carbon dioxide-rich off-gas stream as feedstock to a carbon dioxide recovery facility, enables the capture of high purity carbon dioxide for use in downstream industrial applications.

In addition to the foregoing, the Group also seeks to incorporate environmental initiatives into its existing operations and business activities. For instance, the Company and its portfolio companies have undertaken a number of projects focused on reducing the environmental impact on air, land and water.

#### *Projects to reduce environmental impact on air*

Projects to reduce the environmental impact on air undertaken by Bapco include: (i) a refinery gas desulphurisation project, which successfully reduced the hydrogen sulphide content in fuel to less than 150 ppm (which is significantly below the legal limit 600 ppm for fuel gas) and for which Bapco received an award for excellence in environmental technology at the Off Shore Arabia Conference in 2009; (ii) a tank seal replacement project, which lowered volatile organic compound emissions and improved ambient air quality by fitting double seals on a number of tanks in the Sitra Refinery; (iii) an unleaded gasoline project, which eliminated the use of tetraethyl lead in production and thereby eliminated organic lead from vehicle exhaust emissions; and (iv) an

upgrade initiative to Bapco's API separator, with the aim of enhancing oil and solids removal efficiency, and eliminating the emission of volatile organic compounds into the air. Similarly, GPIC has established a carbon dioxide recovery plant which is capable of capturing carbon dioxide emissions from menthol reformer flue gases.

#### *Projects to reduce environmental impact on water*

Projects to reduce the environmental impact on water undertaken by Bapco include: (i) a kerosene merox project involving the use of cleaner treatment technology in the process of jet fuel production and eliminating lead sulphide discharges into Bapco's effluent system; (ii) the construction of a waste water treatment facility capable of treating waste process water from the Sitra Refinery using membrane bioreactor technology, API separators and induced air floatation, thereby ensuring that only clean and uncontaminated water is discharged into the surrounding marine environment; (iii) the construction of a sewage treatment plant capable of treating domestic sewage from the Sitra Refinery using membrane bioreactor technology and providing treated water suitable for the purposes of irrigation; and (iv) conducting regular marine assessment studies since the 1980s around the Bapco facility to study the impacts of Bapco's operations on the surrounding marine environment (the latest of which in 2021 showed an improvement in the seawater quality in the area). Similarly, Asry has also undertaken initiatives focused on minimising the environmental impact on water, such as through the increased use of skimmer machines and oil booms in order to more effectively collect oil spillage in the surrounding area.

In addition, Tatweer is currently in the process of evaluating and identifying solutions for reducing its impact on water, including ensuring discharged produced water is sent to aquifers and processed water can be used for irrigation.

#### *Projects to reduce environmental impact on land*

Projects to reduce the environmental impact on land undertaken by Bapco include the construction of a hazardous waste management landfill facility in accordance with US environmental protection agency standards, which includes a hazardous waste landfill as well as an accompanying waste stabilisation plant. This facility provides treatment and safe disposal of hazardous waste from Bapco's operations, and received an award for excellence in environmental technology at the Off Shore Arabia Conference in 2006.

Furthermore, Tatweer utilises waste management plant facilities to mitigate harm to the environment and also has a number of contracts in place to ensure the recycling of materials including plastic and iron.

#### *Other environmental policies and initiatives*

The Company and its portfolio companies consistently aim to utilise increasingly efficient and advanced technologies, and best industry practice, in order to create efficiencies within the business while minimising the environmental impact of operations, such as through the use of energy efficient lighting, waste recycling, solar technology and steam trap management, as well as through frequently upgrading technology to maximise performance and efficiency in operations. Moreover, the Group regularly seeks to align its policies and objective with international standards applicable to environmental and social initiatives. For instance, GPIC actively seeks to align its strategic aims with the United Nations 17 Sustainable Development Goals, as well as the principles of the United Nations Global Compact, which encourages businesses worldwide to adopt sustainable and socially responsible policies. GPIC in particular has also participated in a number of environmental initiatives, which aim to minimise the environmental impact of its operations, including its energy efficient lighting project, which has seen the replacement of LED lights throughout GPIC facilities since 2013, which is expected to result in an energy saving of over 1,696 megawatt hours per year, and a corresponding reduction in greenhouse gas emissions of 846 metric tonnes of CO<sub>2</sub> equivalent per year. Moreover, GPIC's commitment to improved environmental performance is demonstrated through the publication of an annual sustainability report and the conducting of regular environmental audits. In addition, Asry is currently working towards an approved statement of compliance with the Hong Kong International Convention for the safe and environmentally sound recycling of ships, and inclusion in the European Union's list for ship recycling registration.

Bapco also has been publishing sustainability reports following the Global Reporting Initiative standards disclosures since 2019, publicly reporting on all the environmental, social, economic and governance aspects of the company and aligning the Company's practices to the United Nations Sustainable Development Goals. In 2022, Bapco also signed up to the principles of the United Nations Global Compact.

Tatweer also has two solar power plants. The first was commissioned in February 2016 with a total installed capacity of 1 MW, and the second solar power plant was commissioned in October 2019 with a total capacity of

3 MW. The total energy generated from the two plants is around 6 GWh per year, generating 6 per cent. of the total power consumed in Tatweer. The solar plants are also connected directly to Tatweer's internal high voltage distribution network, contributing to the reduction of total consumed energy from the EWA's network. Tatweer has also been exploring options via feasibility studies to find solutions to some of the environmentally challenging waste it produces.

#### *Environmental and Social benefits of the Bapco Modernisation Programme*

The multi-billion-dollar investment in the Bapco Modernisation Programme will put Bapco amongst the most competitive and environmentally compliant refineries in the region, with the aim of securing Bahrain's and Bapco's future. In addition to increasing refining capacity and enhancing the Company's product slate, the Bapco Modernisation Programme will improve energy efficiency levels and exceed local and international regulations on environmental footprints. Bapco has commissioned a number of environmental and social studies and management plans related to the Bapco Modernisation Programme. This includes a critical habitat assessment, a cumulative impact assessment, a social impact assessment, a traffic impact assessment and an environmental noise modelling assessment, as well as the creation of a biodiversity strategy, a biodiversity action plan and a chance find procedure. Once operational, the project is expected to lead to an improvement in ambient air quality and a reduction in volumes of treated wastewater discharged into the sea. Procedures are in place to limit the noise impact during both the construction and operation phases. The Bapco Modernisation Programme is also expected to improve the energy efficiency of the existing refinery and improve its energy intensity index by 28 per cent. through the installation of new energy-efficient crude and process units. A stakeholder engagement plan has been established for public engagements, creating cooperation opportunities between Bapco and its surrounding communities by ensuring that relevant information to enhance awareness of the project is communicated regularly. The Bapco Modernisation Programme has also taken the precaution of activating a project-specific grievance mechanism and communication channels for the public, which are advertised on Bapco's website and social media accounts.

In addition, a workers' welfare unit has been established to support human and social development, specifically for the project construction workforce. This unit ensures workers' accommodations are in compliance with applicable standards, including the guidelines of the International Finance Corporation and the European Bank for Reconstruction and Development.

#### **ESG initiatives with third parties**

The Company continues to implement a number of projects in collaboration with third parties to improve its performance on various sustainability topics, including the following:

- The Company is a member of the International Association of Oil & Gas Producers, a global forum for the petroleum industry which is working to identify and share best practices to achieve, among other things, improvements in ESG related matters;
- The Company has partnered with GHGSat to utilise its state-of-the-art satellite constellation and emissions intelligence to support the Group's decarbonisation goals;
- The Company has partnered with Hope Ventures in order to power the production of a second season of a TV show (Beban), which aired in January 2023, entirely by renewable energy;
- The Company subscribed to FlareIntel in January 2022 to monitor flaring through satellite reading and imagery, and report flaring activities across Bahrain on an online platform. This will give the Company operational visibility, facilitate operational improvements and support investment management;
- The Company has subscribed to Darcy Partners, an integrated technical platform and a member-driven technology and innovation market intelligence firm serving the energy industry. Their research channels include research for emerging technologies and best industry practices in the oil and gas sector, sustainability, energy transition, and power and utilities; and
- The Company has also collaborated with the Bahrain International Circuit (BIC) to launch the Green Ticket Initiative which funds a programme of mangrove planting, supporting the Kingdom's target to quadruple mangrove coverage in the Kingdom by 2035. For every ticket sold at the World Endurance Championship weekend, a portion of the revenue is matched by, among others, the Company and donated to the fund.

## Greenhouse gas emissions

As part of the Group's wider initiatives to monitor and assess the environmental impact of its operations, a number of the Company's portfolio companies regularly monitor GHG emissions arising from their respective operating activities. Bapco, Tatweer and GPIC each regularly calculate their direct (Scope 1) and indirect (Scope 2) GHG emissions. The following tables set forth the Scope 1, Scope 2 and total GHG emissions (in metric tonnes of CO<sub>2</sub> equivalent) from each of Bapco, Tatweer and GPIC for each of the years indicated.

### Bapco GHG emissions:

	2020	2021	2022
	(metric tonnes of CO <sub>2</sub> equivalent)		
Scope 1.....	2,711,398	2,658.41	2,740.61
Scope 2.....	99,440	86.71	85.87
<b>Total.....</b>	<b>2,810,838</b>	<b>2,745.12</b>	<b>2,826.48</b>

### Tatweer GHG emissions:

	2020	2021	2022
	(metric tonnes of CO <sub>2</sub> equivalent)		
Scope 1.....	1,918,485	1,890,878	1,605,400
Scope 2.....	84,031	81,277	81,235
<b>Total.....</b>	<b>2,002,516</b>	<b>1,972,155</b>	<b>1,686,635</b>

### GPIC GHG emissions:

	2020	2021	2022
	(metric tonnes of CO <sub>2</sub> equivalent)		
Scope 1.....	1,044,621	1,059,860	979,010
Scope 2.....	84,660	81,180	95,270
<b>Total.....</b>	<b>1,129,281</b>	<b>1,141,040</b>	<b>1,074,280</b>

## Performance Monitoring

As part of its ongoing monitoring and assessment processes, the Group undertakes regular assessments of its environmental and social performance. For instance, Bapco has undertaken regular marine assessment studies since 1981 to provide long-term data for analysis and the measurement of environmental impact. Similarly, certain of the Group's projects have been undertaken in accordance with the Equator Principles, which are adopted by financial institutions for determining, assessing and managing environmental and social risk in projects, such as the Bahrain LNG Import Terminal. Moreover, the Group regularly engages with stakeholders when considering launching new projects, with stakeholder engagement an important step taken when proposing new projects.

## Community and Social Initiatives

The Group aims to play an active role in the development and support of local communities, including creating jobs and career development opportunities for Bahraini nationals, while facilitating the development of high quality infrastructure in Bahrain, including healthcare, education and industrial facilities.

The Company currently implements a number of projects and programmes in education, health and social activities. The Company and its subsidiaries are currently involved in the following activities, amongst others, in order to promote corporate social responsibility:

- the Company and other members of the Group run a yearly youth summer internship programme, Empower. Empower was launched to provide an opportunity for university students to explore and train in different fields in the oil and gas sector. The programme, which has so far trained almost 200 students, runs during the months of July and August and is in line with the Group's commitment to invest in the future of the Kingdom by training a strong pool of future industry leaders and developing their professional and technical skills;
- Bapco has also hosted a range of events, such as (i) EHS Week, which aims to raise awareness on environment, health and safety amongst employees and their families, as well as the local community, (ii) an annual shoreline clean-up day, and (iii) the "Green School Award" in 2020, which aims to encourage resource conservation projects in schools, and raise environmental awareness amongst students;

- Banagas and Tawseah have contributed to training and development opportunities for students from the local community;
- Bapco has participated in a carbon and gas leak campaign raising public awareness about electrical and gas hazards, the need for regular inspection of gas and electrical appliances, fire hazards and the procedures for safe evacuation; and
- a number of Bapco and GPIC employees have volunteered their free time to mentor school students in key life skills in support of INJAZ Bahrain, a life coaching programme empowering young people to take ownership of their economic success and prepare them for professional challenges. For Bapco, a total of 536 staff have participated in the programme since its inception 12 years ago, while GPIC had a total of 132 staff participating. For Bapco's 2022-2023 academic year, there has so far been a historical high of 1,500 volunteering hours by 200 volunteers, out of which 30 enrolled in the flagship INJAZ Bahrain. Bapco has also sponsored a club for INJAZ Bahrain alumni and since October 2021, over 30 young Bahraini citizens have been mentored by the club.

## **HEALTH & SAFETY**

In relation to personnel safety, the Company and its portfolio companies benchmark themselves against international health and safety standards of reputable international organisations. The Company and its portfolio companies continue to focus on improving and renewing HSE programmes to ensure operational risks are minimised. This is done through a combination of implementing new initiatives and further enhancement of the existing HSE management systems.

Lost time injury (“LTI”) rates of certain Group portfolio companies’ employees (excluding contractors) are set forth below:

- each of GPIC, Banagas, Tawseah and GPIC reported an LTI rate of zero in each of 2020, 2021 and 2022;
- Tatweer reported an LTI rate of zero, 0.22 and zero for the years 2020, 2021 and 2022, respectively;
- Bapco reported an LTI rate of 0.05, 0.09 and 0.04 for the years 2020, 2021 and 2022, respectively; and
- Asry reported an LTI rate of 0.72, 0.25 and 0.71 for the years 2020, 2021, and 2022, respectively.

Each portfolio company follows international health and safety standards, which include (but are not limited to) ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System), ISO 31000:2018 (Risk Management), ISO 20000:2018 (Information Technology) and ISO 45001:2018 (Occupational Health and Safety Management).

## **INSURANCE**

The Company secures insurance coverage which it believes is reasonable and consistent with international industry practice. As a result of the Company's position as a holding company for Bahraini oil and gas investments, this insurance extends to international coverage of directors and officers, professional and general liability insurance. In addition, each portfolio company takes out subsequent insurance coverage that is consistent with industry practice depending on the project in question. The Company believes that the Group maintains insurance coverage at a level that is sufficient for the needs of its business.

## **LITIGATION**

The Company is currently not involved in any material legal proceeding. The Company has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the last 12 months preceding the date of these Base Listing Particulars which may have, or have had, a significant effect on its financial position or profitability.

## **RECENT DEVELOPMENTS**

The Kingdom of Bahrain is currently in the process of developing a National Energy Strategy and assisting the Group in the designing of an Operating Strategy. Both strategies are in line with Vision 2030 and are based on the following key priorities: (1) ensuring the security of supply of energy to the Kingdom for the medium to long

term; (2) maximising the value of hydrocarbons in the Kingdom, in an environmentally conscious manner; (3) diversifying the Kingdom's future energy mix with the addition of sustainable and renewable energy sources such as solar, wind and biofuels; and (4) deploying innovative technologies to meet the Kingdom's commitment of a 30 per cent. reduction in GHG emissions by 2035 and net-zero by 2060. The initial outcomes of the Company's work on this strategy are expected to be published during the second half of 2023.

To support the implementation of the National Energy Strategy, the Company is currently conducting a strategic and financial review with the aim of establishing a comprehensive financial strategy in line with the Group's ongoing effort to transform into a sustainable energy company. In this regard, the Company has appointed external advisors to assist with the implementation of a roadmap to achieve the Company's objectives, which includes a reorganisation of the Group's corporate structure, a financing strategy and an asset monetisation programme. The Company also intends to undertake a balance sheet optimisation exercise, which will involve designing a detailed roadmap to pro-actively strengthen and optimise the Group's capital structure in the long term. The Company intends, over the medium- to long-term, to adopt a new operating model involving the consolidation of support functions. This will likely involve a rationalisation of certain activities and functions in the Group, including reorganising certain of the Group's subsidiaries and businesses to align with the Group's key areas of strategic focus. In addition, the Company is also currently targeting a rebranding of the Group in the second quarter of 2023 involving the change of Group entity names and a visual rebranding affecting, for instance, the logos and websites of companies in the Group.



## MANAGEMENT AND EMPLOYEES

The Company is managed by the board of directors which consists of a chairman, deputy chairman and eight other directors (although this number may vary). The current board, with the exception of the chairman, was appointed by Decree No. 71 for the year 2021, with the Chairman's appointment also being renewed by virtue of Royal Decree No. 54 for the year 2021. The board is nominated by His Majesty King Hamad bin Isa Al Khalifa. The terms of the current members of the board will expire in 2024 or on the date a new board is appointed, whichever is earlier.

### MANAGEMENT

#### Board of directors

The board of directors of the Company currently comprises the chairman and nine directors listed below:

Name	Title	Term expires
H.H. Shaikh Nasser Bin Hamad Al Khalifa.....	Chairman	—
H.E. Shaikh Salman bin Khalifa Al Khalifa .....	Deputy Chairman	2024
H.E. Khalid Amr Al Rumaihi.....	Director	2024
H.E. Dr. Mohamed bin Mubarak Bin Daina .....	Director	2024
Mr. Faisal Al Mahroos .....	Director	2024
H.E. Abdulla Jehad Al-Zain.....	Director	2024
Ms. Hadyah Mohammed Fathalla .....	Director	2024
Lord Edmund John Phillip Browne.....	Director	2024
Mr. Robert Warren Dudley .....	Director	2024
Mr. Anthony Hayward .....	Director	2024

The business address of each director is c/o The Oil & Gas Holding Company B.S.C. (c), 13th Floor GBCORP Tower, Building No. 1411, Road No. 4626, Block 346 Bahrain Financial Harbour District, P.O. Box 1426, Manama, Kingdom of Bahrain.

The board of directors conducts the Company's business in accordance with the Company's articles of association and the rules and resolutions adopted by the board. The articles of association require that the board meet at least four times a year with a minimum attendance requirement of a simple majority of its members or, in the case of an extraordinary board meeting, at least three members. The articles of association provide that the board shall have the power and authority to manage the Company through: (a) investing the Company's funds in areas identified by the board (including by way of the Company's portfolio companies); (b) acquiring property for the purposes of the Company's activities; (c) establishing, acquiring, participating and investing in new ventures or companies (as well as sales of any such ventures or companies), technology, or services necessary for the Company; and (d) pursuing a course of action that the board may feel necessary. In order to pursue such targets, the board has the remit to, among other things, set a five year strategic business plan for the Company, issue technical, administrative and financial regulations for the Company, and decide upon the organisational structure of the Company.

The board of directors sets the strategic direction of the Company and regularly reviews the Company's and the Group's operating and financial position. It ensures that the necessary resources are in place to enable the Company to meet its strategic growth and investment objectives, monitors the performance of management and aims to ensure that the strategy, policies and procedures adopted are in line with the Company's mandate. In addition, the board approves the preparation and auditing of the Company's financial statements, alongside the Board Audit Committee.

Brief biographies of each of the members of the board are set out below:

#### ***H.H. Shaikh Nasser Bin Hamad Al Khalifa***

H.H. Shaikh Nasser Bin Hamad Al Khalifa has been Chairman of the Company since 2021.

His Highness (born 3 May 1987) is the fourth son of His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain. His Highness is His Majesty's Representative for Humanitarian Works and Youth Affairs, National Security Advisor, and Commander of the Royal Guard. His other appointments include:

- Member of the Supreme Defence Council;
- Deputy Chairman of the Higher Committee for Energy and Natural Resources;
- Chairman of the Supreme Council for Youth and Sports;
- Chairman of the Board of Trustees of the Royal Humanitarian Foundation;
- Board Member of Economic Development Board;
- President of the Higher Committee for Financial Coordination and Cooperation;
- President of the Supreme Authority of the Royal Fund for Martyrs of Duty; and
- Honorary President of the Royal Equestrian and Endurance Federation.

His Highness has received numerous awards in recognition for his contributions and achievements in military, philanthropy, and youth development. Among them are the Medal of Scientific Excellence from the Academy of Scientific Research & Training at the British Scientific Council, Medal of Honor by the Palestinian President Mr. Mahmoud Abbas, “Arab Giving Knight” awarded by the Zayed Giving Initiative in the United Arab Emirates, First Degree Sh. Isa bin Salman Al Khalifa Decoration from His Majesty King Hamad bin Isa Al Khalifa in appreciation of his participation in the military operations in Yemen and Appreciation Medal from the President of the State of Somalia in recognition of humanitarian efforts.

His Highness graduated with honors from the British Royal Military College, Sandhurst (2006) and from the Marine Corps University in Virginia, US with distinction (2011).

#### ***H.E. Shaikh Salman bin Khalifa Al Khalifa***

H.E. Shaikh Salman bin Khalifa Al Khalifa has been an independent, non-executive director of the Company since 2016.

His Excellency was appointed as CEO of Mumtalakat Holding Company effective 1 May 2023 and has previously served as Secretary for the Government Executive Committee, and as a member of the Ministerial Committee for Financial Affairs and Rationalizing Expenditure, the Fiscal Reform Committee and the Supreme Council for Education and Training. He held the position of Managing Director of Global Markets for the MENA region at Deutsche Bank AG, Dubai, United Arab Emirates, from 2008 to 2012, and Principal of “Investcorp” Hedge Fund Specialist Group for Middle East Investors, from 2005 to 2008. His Excellency has also held the position of Director of Equity Risk Management Products at UBS Investment Bank, United Kingdom, between 2000 to 2005, where was also a member of the company’s UK Investment Committee.

He currently holds the position of Minister of Finance and National Economy, Director General of the Office of the First Deputy Prime Minister and is a board member of Mumtalakat Holding Company and the Bahrain Economic Development Board, alongside managing multiple business activities.

His Excellency holds a Bachelor of Science in Investments and Economics from Babson College, Wellesley, Massachusetts, United States of America.

#### ***H.E. Khalid Amr Al Rumaihi***

H.E. Khalid Amr Al Rumaihi has been an independent, non-executive director of the Company since 2019.

H.E. Al Rumaihi currently serves on the board of directors of Mumtalakat Holding Company and was previously the Chief Executive of Bahrain Economic Development Board from 2015 until 2019. He has also held the position of Managing Director at Investcorp, where he worked between 2002 and 2012, and Vice President at JPMorgan Chase, where he worked between 1993 and 2002. He is currently a board member of Bahrain Real Estate Investment (Edamah), Bahrain Development Bank, McLaren Group, and the National Oil and Gas Authority, in addition to holding the position of Chief Executive at Mumtalakat Holding Company, alongside managing multiple business activities.

H.E. Al Rumaihi holds a Bachelor’s of Foreign Services from Georgetown University in addition to a Masters of Public Policy, International Economics from Harvard University John F. Kennedy School of Government, United States of America.

***H.E. Dr. Mohamed bin Mubarak Bin Daina***

Dr. Mohamed bin Mubarak Bin Daina has been an independent, non-executive managing director of the Company since 2021.

Dr. Mohamed bin Mubarak Bin Daina currently serves as the Minister of Oil and Environment (appointed on 13 June 2022) and as the Special Envoy for Climate Affairs and Chief Executive of the Supreme Council for Environment (“SCE”). In his capacity as Chief Executive of the SCE, Dr. Bin Daina is mandated to cover a number of national environmental issues including air quality, climate change, environmental impact assessment, pollution control, waste management, land resources, and marine and coastal conservation. Dr. Bin Daina has led delegations relevant to the Montreal Protocol, The United Nations Framework Convention on Climate Change and various regional and international environmental conferences and summits. He is also a member of the following national committees: Board Member of the Supreme Council of Health, Supreme Council for Civil Defence, National Renewable Energy Committee, National Committee for Data and Information, Bahrain Building Code Committee, Emergency and Hazardous Committee, and a member of the Board of Directors of Water Resources. He is also Vice-President of the United Nations General Assembly for the Environment.

A double honoree by His Majesty King Hamad Bin Isa Bin Salman Al Khalifa, Dr. Bin Daina received his PhD in Chemical Engineering from Imperial College London and earned his Postgraduate Certificate in Academic Practice from York St. John University. He has also been awarded a Fulbright Scholarship by Texas A&M. His extensive academic background includes a Bachelor of Science in Petroleum Engineering from the United Arab Emirates University, and a Master of Science in Chemical Engineering from the University of Wales, Swansea. With a background in petroleum engineering from Bahrain National Oil Company, Dr. Bin Daina started his professional career as a Graduate Assistant in the faculty of Chemical Engineering at the University of Bahrain, eventually becoming an Assistant Professor and later Director of Accreditation of Quality Assurance.

***Mr. Faisal Al Mahroos***

Mr. Faisal Al Mahroos has been an independent, non-executive director of the Company since 2019.

Mr. Al Mahroos has approximately 41 years’ experience in the oil and gas industry, during which time he has held several leading positions within the industry, including that of Chief Executive Officer of Bapco as well as a number of senior positions in exploration and petroleum engineering, project development, and energy planning. In addition to the Bahrain Field, Mr. Al Mahroos has worked on the Gulf of Suez’s July field, Kuwait’s Burgan and Sabriyah fields, and USA Midway-Sunset & Kern River steam operations. He has also contributed to the initiation of the Bahrain Field’s first rejuvenation plan and other improved recovery projects. He is an active member of the Society of Petroleum Engineers (“SPE”) and the American Association of Petroleum Geologists and has acted as Chairman of various technical events and served in various organisation committees, such as the International Petroleum Technology Conference, the Middle East Oil and Gas Show, Abu Dhabi International Exhibition & Conference and the GEO Exhibition, and chaired the 2002 SPE Middle East reserve committee. He has published several technical papers on gas and oil characterisation, oil vaporisation, and extending the oil plateau of mature fields.

Mr. Al Mahroos holds a BSc degree in Mining and Petroleum from Cairo University and a BSc degree in Petroleum Engineering from University of Tulsa, United States of America.

***H.E. Abdulla Jehad Al-Zain***

H.E. Abdullah Al-Zain has been an independent, non-executive director of the Company since 2021.

H.E. Abdulla Al-Zain is the Director General of the office of His Majesty’s Representative for Humanitarian Works and Youth Affairs. He is also a member of the Higher Committee for Financial Cooperation and Coordination. **H.E.** Abdulla Al-Zain serves as the Group CEO of Infinity Capital, a private investment holding company based in the Kingdom of Bahrain with a diverse portfolio of companies across multiple sectors. Additionally, he is the President of Córdoba Football Club in Spain and a member of the Board of Directors of Paris Football Club in France. With over 19 years of expertise in wealth management, H.E. Abdulla Al-Zain was a founding member of several private and HNWI-led investment firms.

H.E. Abdulla Al-Zain holds a Bachelor’s degree in Business Administration from Hult Business School in London, United Kingdom and is a member of Young Presidents Organization.

***Ms. Hadyah Mohammed Fathalla***

Ms. Hadyah Mohammed Fathalla has been an independent, non-executive director of the Company since 2021.

Ms. Hadyah Mohammed Fathalla is a strategy and security specialist with 20 years of experience in a range of fields including: national and global security, policymaking, entrepreneurship, innovation and digital transformation. Prior to her appointment as Director of Strategic Projects at the Office of His Majesty's Representative for Humanitarian Works and Youth Affairs, she served as Chief Operating Officer for C5 Accelerate, a global technology investment firm. In addition to having established and managed the company's MENA's business, she built Bahrain's first technology accelerator in 2016 and established a number of initiatives to contribute to the government's Start-Up Bahrain efforts. She is also a regular contributor to cybersecurity, innovation, and technology conferences. Ms. Fathalla has also played an advisory role to a number of government agencies and senior government officials on topics including counterterrorism, armed groups, security policy and strategy, cybersecurity, and other national security threats and challenges. Ms. Fathalla is an Independent Director of the General Sports Authority, the Benefit Company (Bahrain), as well as Chairman of the Board of Directors of the Bahrain Youth Hostel Society. Additionally, she is a member of the Harvard W3D: Women in Defense, Diplomacy, and Development.

Ms. Fathalla holds an MPA from the Harvard Kennedy School, concentrating on International Global Affairs and an MA in War Studies from King's College in London.

***Lord Edmund John Phillip Browne***

Lord Browne has been an independent, non-executive director of the Company since 2021.

Lord Browne is a Senior Advisor at General Atlantic on climate and Net Zero strategy, providing strategic support and advice to the firm's investment teams and portfolio companies. He served as Group Chief Executive of international energy company BP from 1995 to 2007, after having joined the company in 1966 as a university apprentice. He led the company through a period of significant growth and transformation, including BP's merger with Amoco in 1998. His landmark speech at Stanford University in 1997 established BP as a global thought leader in its quest to address climate change. In 2007, Lord Browne joined Riverstone, where he was co-head of the world's largest renewable energy private equity fund until 2015. He is currently Chairman of Wintershall Dea, Europe's largest independent oil and gas company. Lord Browne is independent co-Chairman of the Prime Minister's Council on Science and Technology, Chairman of the Queen Elizabeth Prize for Engineering, Chairman of the Courtauld Institute of Art, and a past President of the Royal Academy of Engineering. Lord Browne was the UK Government's Lead Non-Executive Board Member from 2010 to 2015. He was knighted in 1998 and made a life peer in 2001.

Lord Browne is a Fellow and Former President of The Royal Academy of Engineering, and Chairman of the Queen Elizabeth Prize for Engineering. He is a Fellow of the Royal Society and a Fellow of the American Academy of Arts & Sciences.

***Mr. Robert Warren Dudley***

Mr. Dudley has been an independent, non-executive director of the Company since 2021.

Mr. Dudley is the retired Group Chief Executive and Director of BP, a position he held from 2010 to 2020. Mr. Dudley had a career with BP and its predecessors spanning over 40 years, serving in a broad range of engineering, commercial, strategic, international, and executive roles. In 2018, he was named the Petroleum Executive of the Year by Energy Intelligence. Over his career, he gained experience in strategic planning, risk management, international operations, HSE, and operations matters. Currently, Mr. Dudley is chair of the international, industry-led Oil and Gas Climate Initiative, committed to accelerating the industry's response to climate change. He serves as a director of Rosneft, LyondellBasell Industries NV, and Freeport-McMoRan, Inc. He chairs Accenture's Global Energy Board, and is a member of the US Business Council and a fellow of the Royal Academy of Engineering in Britain.

Mr. Dudley earned an MBA from Southern Methodist University, an MIM from the Thunderbird School of International Management (now part of Arizona State) and a BS in Chemical Engineering from the University of Illinois.

### **Mr. Anthony Hayward**

Mr. Hayward has been an independent, non-executive director of the Company since 2021.

Mr. Hayward is the Founder, Chairman and CEO of Energy Transition Partners, an Amsterdam listed SPAC focused on the energy transition. He is Founder and Executive Chairman of SierraCol Energy, Colombia's largest independent oil company, a Managing Partner of St James's Asset Management LLP, and Chairman of a number of private companies. Mr. Hayward was Chairman of Glencore from 2013-2021 and Group Chief Executive of BP from 2007 to 2010, He joined BP in 1982 as a rig geologist in the North Sea. He became Group Treasurer in 2000, Chief Executive for BP's E&P Business and a member of the Main Board of BP in 2003. In 2011, Tony founded Vallares plc, a \$2.2bn SPAC listed on the LSE. Following the merger of Vallares plc and Genel Energy he became Chief Executive in November 2011 and subsequently Chairman (2015-2017). He was Senior Independent director of Corus from 2002-2007 and a member of the board of Tata Steel from 2007-2009. He was a member of the UK Business Council from 2008-2010 and the US Business Council between 2008 and 2013. Mr. Hayward chairs Aston University Development Board and is a member of the British Museum Chairman's Advisory Board.

Mr. Hayward studied geology at Aston University in Birmingham and completed a PhD at Edinburgh University. He is a Fellow of the Royal Society of Edinburgh, on the Advisory Board of Edinburgh University's Ocean Leadership program and holds honorary doctorates from the University of Edinburgh, Aston University, the University of Birmingham and Aberdeen's Robert Gordon University.

### **Senior management**

The Group Chief Executive Officer and the senior management of the Company are responsible for the proper management, supervision and direction of the Company's business and affairs. In particular, the Group Chief Executive Officer is responsible before the board of directors for the Company's technical, administrative and financial affairs and such targets and policies as may be set by the board.

The members of the Company's senior executive management comprise:

<b>Name</b>	<b>Title</b>
Mr. Mark Thomas.....	Group Chief Executive Officer
Ms. Elina Mohamed .....	Group General Counsel
Dr. Osama Rayis.....	Group Chief Financial Officer
Ms. Nouf Al-Sowaidi .....	Group Chief Human Resources Officer
Dr. Ayham Ammora.....	Chief Transformation and Strategy Officer
Dr. Hassan Al-Mulla .....	VP – Corporate Development & Portfolio Management
Mr. Mohamed Al Shehab .....	VP – Corporate Finance & Investor Relations
Mr. Ozkan Oz .....	VP – Strategy
Mr. Ahmed Sulail .....	VP – Finance
Mr. Mohamed Sater.....	VP – IT

Brief biographies of each of the members of senior management are set out below:

### **Mr. Mark Thomas**

Mr. Mark Thomas was appointed Group Chief Executive Officer of the Company in 2021.

Mr. Thomas brings over 40 years of experience in all aspects of the oil and gas industry to no holding. Prior to joining the Company, Mr. Thomas served as the Head of Group Chief Executive's Office working as chief of staff to BP CEO Mr. Robert Dudley. Mark stewarded BP's executive processes and worked directly with the executive team and board of directors where he had oversight of investment governance and strategy development. Previously he has served as a regional president of BP's North Sea business, in which he transformed the core business to improve profitability by doubling production in a period of five years. Earlier, Mr. Thomas was the Vice President of Operations at BP Azerbaijan, where he was the operational leader for one of BP's top three global businesses, accountable for the safe and reliable operation of two mega-fields, that produced one million barrels of oil equivalent daily. Mr. Thomas began his career as a Project Engineer for Amoco Canada and was a Commercial Negotiator for Amoco in Trinidad & Tobago when the company merged with BP in 2000.

Mr. Thomas holds a BS degree in Chemical Engineering from the University of New Brunswick in Canada and an MBA from European University in Antwerp.

***Ms. Elina Mohamed***

Ms. Mohamed was appointed Group General Counsel of the Company in 2022.

Prior to joining the Company, Ms. Mohamed held the position of General Counsel at Oman Oil Refineries and Petroleum Industries Company SAOC (Orpic) during which she oversaw the legal and compliance function as well as led the legal workstream under the Nakhla Integration Program which launched in December 2018. The program explored value generation across Oman's oil and gas sectors. Ms. Mohamed's expertise extends back to her early career at Messrs. Shearn Delamore & Co., where she later joined MMC, a listed Malaysian utility and infrastructure conglomerate, in which she became the Group Legal Advisor. At MMC, Elina was also the Board's secretary and Special Assistant to the Group Chairman, where she offered advice on corporate governance and listing requirements.

Ms. Mohamed graduated with a Bachelor of Laws (LLB) from the University of Leeds and was called to the English Bar and Malaysian Bar. She also holds a Diploma in Sharia Law & Practice from the International Islamic University, Malaysia.

***Dr. Osama Rayis***

Dr. Rayis was appointed Group Chief Financial Officer of the Company in August 2022.

Prior to joining the Company, Dr. Rayis worked at Shell before joining Schlumberger, where he developed his career and assumed several finance-related roles and assignments across multiple countries. He has also occupied several senior roles at large conglomerates including Group Finance Director at Rotana Media Group, CFO at Mediagate, Group CFO at CGS Group and Group CFO at SRG Group, before founding his consulting firm where he worked as Managing Partner.

Dr. Rayis holds a Doctorate degree in Finance from Northumbria University at Newcastle, UK, MSc (Distinction) in Accounting and Finance and a Bachelors (Honors – First Class) in Accounting and Finance from the University of Khartoum in Sudan. Dr. Rayis is also a chartered management accountant with CIMA and CGMA qualifications, and holds the Certified Treasury Professional (CTP) qualification.

***Ms. Nouf Al-Sowaidi***

Ms. Nouf Al-Sowaidi was appointed Group Chief Human Resources Officer of the Company in 2021.

Ms. Al-Sowaidi has over 19 years of experience in Human Resources across several industries including the public sector, financial services, telecoms and aviation. Prior to joining the Company, Ms. Al-Sowaidi held the positions of Director of Human Resources at Gulf Air and Head of Human Resources at Bahrain Mumtalakat Holding Company where she had been instrumental in the establishment and restructuring of HR departments and policies in addition to a suite of best practices in the HR field. Ms. Al-Sowaidi also established and managed her own HR advisory 'RightSize', which focused on helping clients set up the optimal organisation to ensure continuous sustainability.

Ms. Al-Sowaidi holds a BS degree in Management and Marketing from the University of Bahrain and her MBA with a concentration in Human Resources from NYIT as well as a Master's degree in Management Research from the University of Bradford.

***Dr. Ayham Ammora***

Dr. Ayham Ammora was appointed Chief Transformation and Strategy Officer of the Company in February 2023. He is responsible for leading the execution of the Kingdom's national energy strategy and the Company's operating strategy that will transition the Group from a traditional oil and gas enterprise into a more progressive and responsible group of energy companies.

Prior to joining the Company, Dr. Ammora was General Manager for Africa at Gulf Oil International and a board director for Gulf Oil Egypt, reporting to the CEO. Dr. Ammora was also previously Commercial Director for Europe in Gulf Oil Supply Company, setting the 10-year strategic plans for Europe and Africa and leading their transformation into top quartile high-performance organisations, as well as Chairman, Director and Area Business Manager for Egypt, North Africa and the Levant in Chevron. He also held senior leadership positions in Castrol as Executive Director for the Levant and in Shell as Global Strategy Leader.

Dr. Ammora holds an MBA from the University of Oxford, a PhD in Polymer Chemistry from the University of Cambridge and a BSc (1st Class Honours) in Chemistry from King's College, University of London.

***Dr. Hassan Al-Mulla***

Dr. Hassan Al-Mulla joined the Company in September 2008, originally as a NOGA secondee and subsequently on a permanent basis in May 2009 and holds the role of Vice President, Corporate Development & Portfolio Management. He is responsible for developing and implementing the global investment strategy for the Company and ensuring the long-term growth of the Company's investment portfolio. Dr. Al Mulla is Secretary to the board of directors of BGB.

Prior to joining the Company, Dr. Al-Mulla served as Senior Investment Analyst at the Company from September 2008 until August 2011, Oil, Gas & Energy Projects Head at NOGA from July 2007 until August 2008 and Engineering Expert at Qatar-based Gulf Organisation for Industrial Consulting from November 2005 until December 2006. He has over 15 years of experience in the oil, gas and petrochemical industry.

Dr. Al-Mulla holds a Ph.D. in Chemical Engineering from the University of Surrey, United Kingdom, which he was awarded in 2002. He also holds a Bachelor degree in Chemical Engineering from the University of Wales, Swansea, United Kingdom in 1998 and has obtained a Level 3 Certificate in Leadership & Management from the Institute of Leadership & Management in the United Kingdom.

***Mr. Mohamed Al Shehab***

Mr. Mohamed Al Shehab joined the Company in December 2020 as Vice President, Corporate Finance and Investor Relations. He is responsible for securing funding for investment opportunities, and setting and executing the financing strategy for the Group, as well as managing the portfolio companies' key performance indicators and maintaining investor relations.

Prior to joining the Company, Mr. Al Shehab was a Vice President at Barclays Bank PLC, in London, United Kingdom from August 2013 to November 2020, where he served in several roles in Corporate and Investment Banking in Barclays International.

Mr. Al Shehab holds a Bachelor's of Science in Business Administration from the McDonough School of Business at Georgetown University in Washington, DC, U.S.A., with majors in Finance and Operations and Information Management and minors in Economics and Philosophy, awarded in 2012. He has also obtained a Certificate in Advanced Credit Skills, and passed CFA qualification Level 1, 2 and 3 examinations.

***Mr. Ozkan Oz***

Mr. Ozkan Oz joined the Company in December 2022 as Vice President, Strategy. He is responsible for conceptualising digital transformation programmes for the entire oil and gas value chain, including collaboration on strategic planning with senior management in addition to working with multiple cross-functional stakeholders and international consultants on the Kingdom's national energy strategy.

Prior to joining the Company, Mr. Oz was the Manager of Integrated Planning and Project Controls Department at Tatweer. Prior to that, Mr. Oz was the Head of Integrated Planning and Senior Cost Engineer at Tatweer, a PMO Manager for the Saudi Aramco North West Area Upgrade of Waste Water Project in Safaniya and Project Manager for the Saudi Kayan Polycarbonate Project in Al Jubail at Al-Suwaidi Ind. Co. in Saudi Arabia. Mr. Oz's career began as a Project Controls Engineer in various companies in Turkey and Azerbaijan in which he worked in the technical office and project controls departments.

Mr. Oz is currently in the process of obtaining a Master of Petroleum Engineering from the Heriott Watt University in Edinburgh, Scotland. He also holds a BSc in Civil Engineering from Middle East Technical University in Ankara, Turkey. Moreover, he is a member of a number of professional societies including PMI, AACE International, the Chamber of Civil Engineers in Turkey and the Bahrain Society of Engineers.

***Mr. Ahmed Sulail***

Mr. Ahmed Sulail joined the Company as Vice President, Finance in April 2023 to oversee the finance and accounting function for the Group.

Prior to joining the Company, Mr. Sulail had wide experience in the finance and accounting field within the oil and gas industry with an extensive involvement in areas like financial reporting and finance operations. Mr. Sulail worked in the finance division in Bapco for more than 11 years handling various roles and tasks within the financial accounting department. Mr. Sulail also acted as the Financial Accounting Manager.

Mr. Sulail earned a bachelor's degree in accounting from University of Bahrain. In addition, he holds a master's degree in business administration from the University of Strathclyde which he obtained in 2020. Also, Mr. Sulail passed all the Certified Public Accountant (CPA) exams from the International Accounting Standard Board (IASB) State of New Hampshire in 2013.

#### ***Mr. Mohammed Sater***

Mr. Mohammed Sater joined the Company in February 2022 as Vice President, Information Technology. He is responsible for technology adoption and enabling digital transformation for the Group.

Prior to joining the Company, Mr. Sater was the Digital Transformation Lead at Bahrain Mumtalakat Holding Company. Following his management role at Mumtalakat, Mr. Sater was also the Information Technology Lead, leading a successful cloud migration to SAAS. Mr. Sater has also worked at Seera Investment Bank as a Post Acquisitions & Management (PAM) Manager, going on to join the investments team as an Equity Investments Manager.

Mr. Sater has an MSc degree in Analysis Design and Management of Information Systems from the London School of Economics and Political Science. He also holds a BSc degree in Computer Science from Brunel University in London. He has also received professional IIR Training from Dubai and certifications from institutes such as the London Business School, Euromoney and BIBF.

#### **Conflicts**

There are no conflicts of interest between the duties of the members of the board of directors and senior management listed above to the Company and their private interests or other duties.

#### **Corporate Governance**

The Company is committed to the highest standards of corporate governance across the Group. The Company acknowledges that good corporate governance is essential for sustaining and enhancing company value and for maintaining stakeholder confidence. The Company aspires to the highest standards of ethical conduct and to complement its corporate mission, the Company has adopted a robust and pragmatic corporate governance framework founded upon integrity, transparency, competence and accountability. Responsibility for implementing the framework rests with the board of directors, which recognises the importance of this responsibility and seeks to ensure that the Company and its portfolio companies are managed, directed and controlled effectively.

The Company complies with the Bahrain's Corporate Governance Code (the "Code"). The Code was developed in a consultative process involving the Ministry of Industry and Commerce, the Central Bank of Bahrain and the National Corporate Governance Committee (a steering committee created under the auspices of the Ministry of Industry and Commerce composed of public and private sector stakeholders), and became effective in October 2018. The Code applies to all joint stock companies incorporated under Legislative Decree No. 21 of 2001 with respect to promulgating the Bahrain Commercial Companies Law (and its amendments) (the "CCL"). However, the Code can also function as a model and reference framework for all other companies, including other Bahraini companies and foreign companies doing business in Bahrain. The Code is a testament to the Government's commitment to sound corporate governance principles and making Bahrain an attractive business environment.

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



industry best practice on corporate governance and is committed to bridging any gaps that may emerge between the Code and such practices.

## Committees

### *Board Audit Committee*

The Board Audit Committee assists the board of directors in independently ensuring and maintaining oversight of the Company's financial reporting system, internal control and risk management processes, audit functions and legal and regulatory requirements. The duties and responsibilities of the Board Audit Committee include assisting the board in identifying and managing principal financial and compliance risks; approving the internal audit plan to be undertaken by the relevant auditor appointed by the Company to conduct internal audits of the Company and regularly update the board; assessing the independence, accountability and effectiveness of the external auditor (currently PwC); and evaluating the adequacy and effectiveness of the Company's policies, procedures and systems (such as the management reporting processes) for ensuring compliance with legal and regulatory requirements and internal policies.

The committee meets four times per year, and its members are appointed by the board. It currently comprises three members, all of whom are non-executive directors of the board.

### *Enterprise Risk and Business Continuity Management Corporate Committee*

The Enterprise Risk and Business Continuity Management Corporate Committee is a non-executive committee established to provide a forum for the discussion of common issues relating to the enterprise risk management and business continuity management among companies in the Company's oil, gas and petrochemical portfolio. The committee may provide oversight and direction but does not have any decision-making authority over any Company portfolio company.

It provides assistance to the board, the Company's management and portfolio companies in supervising the enterprise risk management and business continuity management activities by, among other things: (a) implementing the Enterprise Risk Management and Business Continuity Management frameworks; (b) assessing and providing oversight and direction relating to the identification of major strategic, operational, financial, regulatory, information and external risks inherent to the business of the Group and the control process with respect to such risks; (c) overseeing the enterprise risk management and business continuity management, compliance and control activities of the Company; and (d) verifying the integration of business continuity plans.

Under its charter, the committee is chaired by the Manager of Portfolio Management and comprises a risk manager or coordinator from each of the Company's portfolio companies. The charter states that the committee should meet at least four times annually.

## EMPLOYEES

As at 31 December 2022, the Company had 28 employees. This figure does not include employees of the Company's portfolio companies.

The number of employees of each subsidiary of the Company as at 31 December 2022 was as follows:

<b>Subsidiary</b>	<b>Number of Employees</b>
Aromatics.....	—
Asry.....	1,984
BJFCO .....	1
BAFCO .....	80
Bahrain LNG .....	12
Bapco and Bahrain Lube .....	3,066
Banagas/Tawseah .....	748
BRC .....	102
BGB .....	5
GPIC .....	443
SBPC.....	—
Trident Logistics.....	2
Tatweer .....	1,027
<b>Total</b> .....	<b>7,498</b>

Each of the Company and its portfolio companies undertake initiatives to motivate employees to contribute to its success through bonus and other long-term incentive programmes. Such programmes are managed by each entity individually, as opposed to an overarching benefits programme managed solely by the Company. These include bonus payment schemes as well as pension plans for certain of the portfolio companies.

The Group aims to continue to invest in human capital, training and development in order to carry out its planned expansion and growth in years to come. The Group continues to recruit in the most efficient way possible for the portfolio company in question.

With regards to promoting, among other matters, gender balance, the Group CEO, along with the chief executive officers from Bapco, Tatweer, Banagas, GPIC, BAFICO, Asry and BRC signed the United Nations Women Empowerment Principles (WEPs) pledge to endorse and implement the Women's Empowerment Principles (WEPs) initiative. As part of this, the Group will take necessary action to instill the seven principles in line with the UN's human rights standards, focusing on gender equality, health and safety, education, development and more. In addition, on 1 December 2022, the Group CEO announced the formation of a Group Joint Commission for Equal Opportunities and Gender Balance. The Joint Commission will support gender balance in the workplace by developing initiatives and policies that will create a better working environment across the Group.

## SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

*The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection during usual business hours at the specified offices of the Trustee and the Principal Paying Agent (as defined in the Conditions).*

### **Master Purchase Agreement**

The Master Purchase Agreement will be entered into on 15 May 2023 between the Trustee (in its capacity as purchaser of the Initial Assets or the Additional Assets, as the case may be) and the Company (in its capacity as “Seller”) and will be governed by the laws of Bahrain. A supplemental purchase agreement (a “**Supplemental Purchase Agreement**”) between the same parties will be entered into on the Issue Date of each Tranche of Certificates and will also be governed by the laws of Bahrain.

Pursuant to the Master Purchase Agreement, on the Issue Date of each Tranche, the Seller will sell and transfer to the Trustee, and the Trustee will purchase and accept the transfer from the Seller of all of the Seller’s interests, rights, title, benefits and entitlements, present and future, in, to and under the relevant Initial Assets (in the case of the first Tranche of the relevant Series) or the relevant Additional Assets (in the case of the each subsequent Tranche of the relevant Series), in each case, for the purchase price specified in the Supplemental Purchase Agreement, which will be payable on the Issue Date of the first Tranche of the relevant Series. The Purchaser will use no less than 55 per cent. of the issue proceeds of each Tranche of Certificates to purchase Initial Assets or Additional Assets (as the case may be) pursuant to the Master Purchase Agreement and the relevant Supplemental Purchase Agreement. The relevant Initial Assets or Additional Assets (as the case may be) will be set out in the schedule to the relevant Supplemental Purchase Agreement.

### **Master Lease Agreement**

The Master Lease Agreement will be entered into on 15 May 2023 between the Trustee (in its capacity as lessor of the relevant Lease Assets of each Series) and the Company (in its capacity as “Lessee”) and will be governed by the laws of Bahrain. A supplemental lease agreement (a “**Supplemental Lease Agreement**”) between the same parties will be entered into on the Issue Date of the first Tranche of each Series and will also be governed by the laws of Bahrain.

Pursuant to the Master Lease Agreement, the Trustee may, from time to time in relation to the first Tranche issued under a Series, agree to lease to the Lessee, and the Lessee may agree to lease from Trustee, the relevant Lease Assets for the relevant Lease Term in consideration for the payment of Rental by the Lessee on each Rental Payment Date for each Lease Period of the relevant Lease Term upon and subject to the terms and conditions contained in the Master Lease Agreement and the relevant Supplemental Lease Agreement. On: (i) the Issue Date of the first Tranche issued under a Series; (ii) any Substitution Date (as defined in the Sale Undertaking) on which a Total Substitution Event occurs; or (iii) the date on which a Replacement Lease Assets Purchase Agreement (as defined below under “—*Service Agency Agreement—Replacement of Assets*”) is entered into, the Trustee and the Lessee will enter into a Supplemental Lease Agreement on that Issue Date, Substitution Date or the date of such Replacement Lease Assets Purchase Agreement (as the case may be) which will, among other things, specify the Lease Assets as at that Issue Date, Substitution Date or the date of such Replacement Lease Assets Purchase Agreement (as applicable). On each date on which Additional Assets are acquired pursuant to the Purchase Agreement, the Trustee and the Lessee shall enter into an addendum to the relevant Supplemental Lease Agreement with respect to such Additional Assets.

In relation to each Series, the Lessee shall pay, without any prior notice or demand (a) each Rental (less any Supplementary Rental and Additional Supplementary Rental (each as defined below)) by no later than the Business Day immediately preceding the relevant Rental Payment Date, (b) any Supplementary Rental on the first Business Day of the first Lease Period commencing after the Services Invoice Date, (c) any Additional Supplementary Rental on the first Business Day of the first Lease Period commencing after the ASCA Request Date and (d) the Initial Supplementary Rental on the Lease Commencement Date, in each case by crediting such amounts to the Collection Account. Notwithstanding such payment to the Collection Account, the obligation of the Lessee to pay any Rental to the Trustee pursuant to the relevant Supplemental Lease Agreement shall only be discharged upon payment of such amount by the Company (in its capacity as service agent) to the Trustee in accordance with the provisions of the Service Agency Agreement).

Under the terms of the Master Lease Agreement and the relevant Supplemental Lease Agreement, the Lessee shall, at its own cost and expense, be responsible for performing or procuring the performance of all Ordinary Maintenance and Repair required for the relevant Lease Assets during each Lease Period and the payment of all common, utility and other expenses (including without limitation those relating to electricity, gas and water) incurred in connection with the use of the relevant Lease Assets.

The Trustee shall be responsible for:

- (a) the performance of all Major Maintenance and Structural Repair;
- (b) the payment of Proprietorship Taxes (if any); and
- (c) obtaining insurance for the Lease Assets to the extent that it is reasonable and commercially practicable, in a manner compliant with *Shari'a* principles,

and the Lessee acknowledges that the Trustee will procure that the Service Agent, in accordance with the terms and conditions set out in the Service Agency Agreement, shall perform, or shall procure the performance of, all Major Maintenance and Structural Repair, the payment of Proprietorship Taxes (if any) and obtaining insurance for the relevant Lease Assets.

On each ASCA Request Date, the Trustee (or the Service Agent on its behalf) shall notify the Lessee in writing of any Additional Services Charge Amount to be paid or incurred in the Lease Period in which such ASCA Request Date falls and that an amount of additional supplementary rental equal to such Additional Services Charge Amount will be payable in respect of the Lease Period immediately following the Lease Period in which such ASCA Request Date falls or, if earlier on the Lease End Date. Such notice shall be irrevocable and the Lessee hereby agrees that, unless it rejects such notice on such ASCA Request Date (in which case it acknowledges that such rejection will constitute an Obligor Event), it will be deemed to have approved such notice and agreed to pay the requested amount of additional supplementary rental in accordance with such notice as and when delivered.

If a Total Loss Event occurs with respect to the Lease Assets of a Series, then, without prejudice to any right or remedy that the Trustee may have under any Transaction Document or by law in respect of that Series, the Lease in respect of that Series shall automatically terminate and the Trustee will be entitled (in addition to any amounts payable pursuant to the Service Agency Agreement) to any due and unpaid Rental in respect of that Series up to the date on which the Total Loss Event occurred. If a Total Loss Event occurs with respect to the Lease Assets of a Series (and the Lease in respect of that Series has automatically terminated in accordance with the preceding sentence) and the Lease Assets have been replaced pursuant to the Service Agency Agreement, on the date of the relevant Replacement Lease Assets Purchase Agreement, the Trustee shall give a lease replacement notice to the Lessee and the Trustee and the Lessee shall enter into a replacement Supplemental Lease Agreement, pursuant to such Lease Replacement Notice. In such case, the Replacement Lease Assets will be leased to the Lessee under the replacement Supplemental Lease Agreement, which shall be effective from the date of the Replacement Lease Assets Purchase Agreement and shall supersede the existing Supplemental Lease Agreement in respect of that Series in its entirety, subject to and in accordance with the Master Lease Agreement.

If a Partial Loss Event occurs with respect to the Lease Assets of a Series, provided that: (a) the relevant Lease Assets have not already been replaced pursuant to a Replacement Lease Assets Purchase Agreement in accordance with the Service Agency Agreement and a notice of termination of the relevant Lease (a “**Partial Loss Termination Notice**”) has been delivered by the Lessee to the Lessor within a period of 30 days of the Partial Loss Event Date; or (b) such Lease Assets have not been replaced pursuant to the Service Agency Agreement, without prejudice to any right or remedy that the Lessor may have under any Transaction Document or by law, the Lease in respect of that Series shall automatically terminate on the 61<sup>st</sup> day after the Partial Loss Event Date and further Rental payments shall cease to be due under the Master Lease Agreement on such 61<sup>st</sup> day after the Partial Loss Event Date subject to the Lessee’s right to make a Rental Reimbursement Request in accordance with the Master Lease Agreement and the Lessor will be entitled to all proceeds of the Insurances payable as a result of the Partial Loss Event.

If a Partial Loss Event occurs, the Lessee may, by no later than the 31<sup>st</sup> day after the Partial Loss Event deliver a request to the Lessor for a proportionate reduction in rental by reimbursement of the Rental to take into account the impairment suffered in relation to the relevant Lease Asset(s) subject to the Partial Loss Event with respect to the period from and including the date of the Partial Loss Event to (and excluding) the earlier of (i) the 61<sup>st</sup> day following the date of the Partial Loss Event and (ii) the date of replacement of the relevant Lease Asset(s) in accordance with the Transaction Documents. If the Lessee makes such a reimbursement request, the Lessor shall

procure the payment of the rental reimbursement amount by the Service Agent (on its behalf) to the Lessee from only: (a) the Insurance Proceeds; and/or (b) (to the extent such Insurance Proceeds (if any) are insufficient ), any Loss Shortfall Amount on the 61<sup>st</sup> day after the Partial Loss Event Date.

The Obligor (in its capacity as Lessee) has undertaken in the Master Lease Agreement, in relation to each Series, that it shall maintain actual or constructive possession, custody or control of all of the Lease Assets during the lease term.

All Rental and other payments by the Lessee to the Trustee under the Master Lease Agreement must be made without set off or counterclaim of any kind and without any deduction or withholding for or on account of Tax unless required by law and, in the event that a deduction or withholding is imposed by or on behalf of any relevant taxing authority in relation to the Rental or any corresponding payment by the Trustee pursuant to the Certificates, the Lessee 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 such deduction or withholding had been made and accordingly, the Lessee 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 under the Master Lease Agreement.

### **Service Agency Agreement**

The Service Agency Agreement will be entered into on 15 May 2023 between the Trustee (in its capacity as trustee and as Lessor) and the Obligor (in its capacity as Service Agent) and will be governed by English law.

#### *The Services*

Pursuant to the Service Agency Agreement, in relation to each Series, the Trustee appointed the Service Agent to provide certain services and perform certain obligations relating to the Lease Assets (the “**Services**”) in accordance with the terms of the Service Agency Agreement, including, among other things, the following:

- (a) the Service Agent shall carry out all Major Maintenance and Structural Repair in respect of the Lease Assets of each Series on behalf of the Trustee (as lessor);
- (b) so long as the Trustee remains the owner of the Lease Assets of any Series, the Service Agent, on behalf of the Trustee, shall pay all Proprietorship Taxes (if any) charged, levied or claimed in respect of the Lease Assets by any relevant taxing authority; and
- (c) the Service Agent shall:
  - (i) be responsible for ensuring that the Lease Assets of each Series are, so long as the Certificates of that Series are outstanding, properly insured (through brokers and with reputable insurance companies in good financial standing) to the extent consistent with general industry practice by prudent owners of similar assets and, to the extent that it is reasonable and commercially practicable, in a *Shari'a* compliant manner (the “**Insurances**”) against a Total Loss Event or a Partial Loss Event in an insured amount in the Specified Currency of the relevant Series, at all times, at least equal to the Insurance Coverage Amount;
  - (ii) promptly make a claim in respect of each loss relating to the Lease Assets in accordance with the terms of the Insurances and diligently pursue such claim under the terms of the Insurances;
  - (iii) ensure that, in the event of a Total Loss Event or a Partial Loss Event (as the case may be) occurring, all Insurance Proceeds in an amount at least equal to the Insurance Coverage Amount are paid in the Specified Currency of that Series directly into the Transaction Account by no later than the close of business in Bahrain on the 60<sup>th</sup> day after the occurrence of the Total Loss Event or the Partial Loss Event (as the case may be) and that the insurers are directed accordingly; and
  - (iv) within 60 days of the Issue Date of the first Tranche of each Series and for any reason the Service Agent is not in compliance with paragraph (c)(i) above, immediately deliver written notice to the Trustee and the Delegate of such non-compliance and the details thereof. The delivery of the notice referred to in this paragraph (iv) to the Trustee and the Delegate in relation to non-compliance with paragraph (c)(i) above shall constitute an Obligor Event.

The Service Agent shall provide the Services under the Service Agency Agreement in accordance with all applicable laws and regulations and with the degree of skill and care that it would exercise in respect of its own assets.

In consideration for the Service Agent acting as agent of the Trustee in relation to the Lease Assets of each Series the Service Agent shall be paid a fee of U.S.\$100 on the date of the Service Agency Agreement (the receipt and adequacy of which is acknowledged by the Service Agent under the Service Agency Agreement).

#### *All Expenses Reserve Amount*

As an advance payment to the Service Agent for Services Charge Amounts to be paid or incurred by it in respect of the Services, the Trustee shall procure that (a) an amount (the “**All Expenses Reserve Amount**”) is credited to the Collection Account on the relevant Lease Commencement Date and (b) the All Expenses Reserve Amount is replenished in accordance with the Service Agency Agreement.

Notwithstanding any other provision in the Service Agency Agreement, the Service Agent shall not be permitted to incur or pay any liability in any Lease Period in respect of the Services to be performed in relation to the relevant Lease Assets which, individually or in the aggregate, would exceed the All Expenses Reserve Amount in such Lease Period (the amount by which such liability exceeds the All Expenses Reserve Amount, an “**Additional Services Charge Amount**”, which amount shall be denominated in the Specified Currency and, if required, the exchange rate for conversion into the Specified Currency shall be determined by the Service Agent) unless: (i) a request for such incurrence or payment of an Additional Services Charge Amount has been made by the Service Agent to the Lessor in accordance with the Service Agency Agreement; and (ii) following such request, the Lessee has agreed to pay to the Lessor an amount of Additional Supplementary Rental equal to such Additional Services Charge Amount on the first Business Day of the first Lease Period commencing immediately after the ASCA Request Date (as defined below), in which case the Lessor shall be deemed to have approved such request. If, during any Lease Period, the Service Agent incurs or pays such liability without first satisfying the foregoing conditions in (i) and (ii) above, then it shall be deemed to have unconditionally agreed to satisfy, donate and pay all such liabilities from its own account and the Lessor shall have no responsibility whatsoever in connection with such liability.

#### *Total Loss Event and Partial Loss Event*

If a Total Loss Event or a Partial Loss Event occurs in relation to a Series and (a) the notice described in paragraph (c)(iv) above has not been delivered by the Service Agent to the Trustee and the Delegate within 60 days of the Issue Date of the first Tranche of the relevant Series and prior to the occurrence of such Total Loss Event or Partial Loss Event (as the case may be), (b) the Lease Assets have not been replaced in accordance with the Service Agency Agreement, and (c) the amount (if any) paid into the relevant Transaction Account pursuant to paragraph (c)(iii) above is less than the Insurance Coverage Amount (the difference between the Insurance Coverage Amount and the amount credited to the Transaction Account being the “**Loss Shortfall Amount**”), then the Service Agent undertakes to pay (in the Specified Currency of that Series in same day, freely transferable, cleared funds) the Loss Shortfall Amount directly into the Transaction Account by no later than close of business in Bahrain on the 61<sup>st</sup> day after the Total Loss Event or the Partial Loss Event, as applicable, has occurred. Thereafter, and subject to the Service Agent’s strict compliance with the obligations described in this paragraph, any Insurance Proceeds received from any insurer in respect of the relevant Lease Assets shall be for the Service Agent’s sole account and the Trustee shall have no further claim against the Service Agent for failing to comply with its insurance obligations.

#### *Replacement of Assets*

If, following the occurrence of a Total Loss Event or a Partial Loss Event (and provided that, in the case of a Partial Loss Event, the Lessee has not already delivered a Partial Loss Termination Notice to the Lessor in accordance with the Master Lease Agreement), the Service Agent receives notice from the Obligor that Replacement Lease Assets are available on or before the 60<sup>th</sup> day after the occurrence of the Total Loss Event or Partial Loss Event, as the case may be, the Trustee may, pursuant to and on the terms of a separate purchase agreement substantially in the form, *mutatis mutandis*, of a Supplemental Purchase Agreement (a “**Replacement Lease Assets Purchase Agreement**”), purchase such Replacement Lease Assets from the Obligor (or any entity acting on behalf of the Obligor) by way of payment by the Service Agent on behalf of the Trustee of the Insurance Proceeds (or the assignment of the rights to the Insurance Proceeds) to or to the order of the Obligor and the transfer to the Obligor by the Trustee of any residual interest it may hold in the relevant Lease Assets (in the case of a Total Loss Event) or the relevant Impaired Asset(s) (including any remaining rights in respect of any

Insurance Proceeds), in consideration for the sale, transfer and conveyance by the Obligor of the Replacement Lease Assets to the Trustee.

On the date of any Replacement Lease Assets Purchase Agreement entered into, pursuant to and in accordance with the Master Lease Agreement, the Trustee shall give a Lease Replacement Notice to the Lessee, and the Trustee and the Lessee shall enter into a corresponding replacement Supplemental Lease Agreement. The replacement of the relevant Lease Assets with the relevant Replacement Lease Assets shall be subject to such replacement Supplemental Lease Agreement being entered into between the Trustee and the Lessee in accordance with the Master Lease Agreement, which shall specify the details of the relevant Replacement Lease Assets. On the same date as such replacement Supplemental Lease Agreement, the Trustee shall forthwith notify Certificateholders of the replacement of the Lease Assets and that the Certificates may be traded at any price from the date of such notice to Certificateholders.

#### *Accounts*

In relation to each Series, the Service Agent shall maintain a ledger account (the “**Collection Account**”) in its books with respect to each Series, which shall be denominated in the Specified Currency and be non-interest bearing. All payments of Rental and the payment of Initial Supplementary Rental (in each case payable pursuant to the Supplemental Lease Agreement with respect to the relevant Series) and all Murabaha Profit Instalments (payable pursuant to the Murabaha Contract in respect of each Tranche), will be recorded in the Collection Account.

The Service Agent shall use all reasonable endeavours to ensure the timely receipt of all Rental and Murabaha Profit Instalment payments (free and clear of, and without withholding or deduction for, Taxes), investigate non-payment of such Rental and/or Murabaha Profit Instalment payments, as applicable, use its best efforts to collect or enforce the collection of such amounts under the relevant Supplemental Lease Agreement and/or Murabaha Contract, as applicable, as and when the same shall become due and shall record such payments of Rental and/or Murabaha Profit Instalment in the Collection Account.

On the Business Day prior to each Periodic Distribution Date, amounts standing to the credit of the Collection Account (other than any amounts of Initial Supplementary Rental and/or Supplementary Rental, and/or any Insurance Proceeds) will be applied by the Service Agent on behalf of the Trustee (i) first, in payment into the Transaction Account of an amount equal to the Periodic Distribution Amount payable on such Periodic Distribution Date; and (ii) second, any remaining amount for its own account as an incentive payment for acting as Service Agent.

The Service Agent may deduct amounts standing to the credit of the Collection Account (other than any amounts of Initial Supplementary Rental and/or Supplementary Rental, and/or any Insurance Proceeds) at any time during the relevant Lease Term and use such amounts for its own account, provided that it shall immediately re-credit all such amounts to the Collection Account (for on-payment to the relevant Transaction Account) (a) if, on the Business Day prior to a Periodic Distribution Date, so required to fund a shortfall between: (i) the amount standing to the credit of the relevant Transaction Account; and (ii) the Periodic Distribution Amount payable on such Periodic Distribution Date, or (b) upon the occurrence of a Dissolution Event or a Total Loss Event.

Following payment in full of all amounts due and payable under the Certificates of the relevant Series on the Scheduled Dissolution Date (or any earlier Dissolution Date on which all of the Certificates of the relevant Series are redeemed), the Service Agent shall be entitled to retain any remaining amount standing to the credit of the Collection Account for its own account as an incentive payment for acting as Service Agent.

#### *Expenses, Replenishment and Credit*

Subject to the provisions described in “—*All Expenses Reserve Amount*” above, the Service Agent shall, in relation to each Series, as soon as practicable after the payment or incurrence thereof and, in any case, on the Services Invoice Date, submit to the Lessor or its agent one or more invoices for any Services Charge Amount incurred by it in the Lease Period of each Series in which such Services Invoice Date falls and such invoice(s) shall be denominated in the Specified Currency and, if required, the exchange rate for conversion into the Specified Currency shall be determined by the Service Agent.

Subject to the provisions described in “—*All Expenses Reserve Amount*” above, the Service Agent shall submit to the Lessor or its agent a request for the Trustee’s approval of the Service Agent paying or incurring any proposed

liability comprising an Additional Services Charge Amount prior to paying or incurring such Additional Services Charge Amount (the date of such request being the “**ASCA Request Date**”).

Subject always to the terms of the Supplemental Lease Agreement with respect to the relevant Series and the provisions described in “—*All Expenses Reserve Amount*” above: (a) the Lessor shall procure that an amount equal to each Services Charge Amount notified in accordance with the foregoing is credited to the Collection Account on the first Business Day of the first Lease Period commencing after the Services Invoice Date; and (b) the Lessor shall procure the reimbursement of the Service Agent for each Additional Services Charge Amount approved in accordance with the provisions described in “—*All Expenses Reserve Amount*” above on the first Business Day of the first Lease Period commencing after the ASCA Request Date or, if any Lease is terminated prior to a Rental Payment Date, on the date of termination of such Lease.

No replenishment in an amount equal to a Services Charge Amount shall take place in accordance with the provisions described in “—*All Expenses Reserve Amount*” above, unless the Service Agent evidences the payment or incurrence of each liability comprising such Services Charge Amount by delivering to the Trustee receipts, invoices or other proper evidence of payment on the Services Invoice Date.

An amount equal to an Additional Services Charge Amount shall not be reimbursed in accordance with this paragraph unless the Service Agent evidences the requirement for the payment or the requirement for the incurrence of each liability comprising such Additional Services Charge Amount by delivering to the Trustee quotations or other proper evidence of such requirement by no later than the ASCA Request Date.

#### *Tangibility*

The Service Agent shall ensure that the Tangibility Ratio shall, at all times after the Issue Date of the first Tranche of such Series, remain more than 50 per cent. and, in each case, the Service Agent shall be permitted to take any steps as may be required to maintain such Tangibility Ratio and if, at any time, the Tangibility Ratio, other than as a result of the occurrence of a Total Loss Event or a Partial Loss Event (as the case may be), falls (i) to 50 per cent. or less (but is 33 per cent. or more), the Service Agent shall take any and all steps (in consultation with the *Shari'a* Adviser) as may be required to ensure such Tangibility Ratio is restored to more than 50 per cent. within the time period determined by the *Shari'a* Adviser, and (ii) below 33 per cent., within 10 Bahrain business days of the Service Agent becoming aware of the occurrence of a Tangibility Event, the Service Agent shall send a notice (such notice being a “**Tangibility Event Trustee Notice**”) notifying the Trustee and the Delegate of such occurrence. The Trustee, upon receipt of such Tangibility Event Trustee Notice, shall promptly deliver a notice (the “**Tangibility Event Notice**”) to the relevant Certificateholders in accordance with the Conditions, which shall (i) specify that a Tangibility Event has occurred and set forth an explanation of the reasons for, and evidence of such occurrence, (ii) state that, as determined in consultation with the *Shari'a* Adviser, the Certificates should only be tradable in accordance with the *Shari'a* 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) specify the Tangibility Event Put Period, during which Certificateholders may elect to have their Certificates redeemed, in whole or in part, on the Tangibility Event Put Date at their Dissolution Distribution Amount, and (iv) state that on the Tangibility Event Delisting Date, the Certificates will be delisted from any stock exchange on which the Certificates have been admitted to listing.

The Service Agency Agreement provides that the Service Agent shall appoint, and maintain the appointment of, a *Shari'a* Adviser to advise the Service Agent on any *Shari'a* related matters relating to the Transaction Documents, and provide guidance to the Service Agent as to the compliance of the terms of the Transaction Documents and the Certificates with the requirements from time to time of the *Shari'a* standards of the Accounting and Auditing Organisation for Islamic Financial Institutions, in each case, upon request in writing by the Service Agent from time to time.

#### *Other provisions*

The Service Agent has agreed in the Service Agency Agreement (and except as provided herein and subject to certain relevant provisions of the Purchase Undertaking and the Sale Undertaking) that all payments by it under the Service Agency Agreement will be made without any deduction or withholding for or on account of any present or future Taxes imposed by the Relevant Taxing Jurisdictions unless required by law and without set-off or counterclaim of any kind. If there is any 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 deduction or withholding had been made and accordingly the Service Agent undertakes in the Service Agency Agreement 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 in the Service Agency Agreement. In addition, if additional amounts are payable by the Trustee in respect of the Certificates in accordance with Condition 10 (*Taxation*), the Service Agent will pay to the Trustee an amount equal to such additional amounts by payment to the Transaction Account by wire transfer for same day value so that the full amount which would otherwise have been due and payable under the Certificates is received by the Trustee. The payment obligations of the Service Agent under the Service Agency 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 6.2 (*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.

### **Purchase Undertaking**

The Purchase Undertaking will be executed as a deed on 15 May 2023 by the Company as obligor in favour of the Trustee and the Delegate and will be governed by English law.

In relation to each Series, and provided that a Total Loss Event has not occurred in respect of the Lease Assets of that Series, the Obligor pursuant to the Purchase Undertaking shall irrevocably grant the Trustee and the Delegate (on behalf of itself and the Certificateholders) the following rights:

(a) provided that a Dissolution Event has occurred, a Dissolution Notice has been delivered in accordance with the Conditions, to require the Obligor to purchase and accept the transfer 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 Lease Assets at the Exercise Price;

(b) to require the Obligor, on the Scheduled Dissolution Date, to purchase and accept the transfer of all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Lease Assets at the Exercise Price;

(c) provided that:

- (i) Certificateholder Put Right is specified as applicable in the applicable Pricing Supplement; and
- (ii) a holder or holders of the relevant Certificates have exercised the Certificateholder Put Right in accordance with the Conditions,

to require the Obligor, on to the relevant Certificateholder Put Right Date, to purchase and accept the transfer on the Certificateholder Put Right Date of all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Certificateholder Put Right Lease Assets at the Certificateholder Put Right Exercise Price;

(d) provided that:

- (i) Change of Control Put Right is specified as applicable in the applicable Pricing Supplement; and
- (ii) a Change of Control has occurred and a holder or holders of the relevant Certificates have exercised the Change of Control Put Right in accordance with the Conditions,

to require the Obligor, on the relevant Change of Control Put Date, to purchase and accept the transfer on the Change of Control Put Date of all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Change of Control Put Right Lease Assets at the Change of Control Put Right Exercise Price; and

(e) provided that a Tangibility Event has occurred and a holder or holders of the relevant Certificates have exercised the Tangibility Event Put Right in accordance with the Conditions, to require the Obligor, on the relevant Tangibility Event Put Date, to purchase and accept the transfer on the Tangibility Event Put Date (provided that the relevant Tangibility Event Notice has been revoked by the Trustee in accordance with the Conditions) of all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Tangibility Event Put Right Lease Assets at the Tangibility Event Put Right Exercise Price,

in each case, with regard to such Lease Assets on an “as is” basis (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Purchase Undertaking.

If the Delegate exercises its option prior to the Scheduled Dissolution Date of the relevant Series, an Exercise Notice will be required to be delivered by the Delegate under the Purchase Undertaking.

The Company has agreed in the Purchase Undertaking that, save as set out in the Purchase Undertaking, all payments by it under the Purchase Undertaking will be made without any deduction or withholding for or on account of any present or future Taxes imposed by the Relevant Taxing Jurisdictions unless required by law and without set-off or counterclaim of any kind and, in the event that there is any deduction or withholding, the Company shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no deduction or withholding had been made. In addition, if additional amounts are payable by the Trustee in respect of the Certificates in accordance with Condition 10 (*Taxation*), the Company will agree in the Purchase Undertaking to pay to the Trustee an amount equal to such additional amounts by payment to the Transaction Account by wire transfer for same day value so that the full amount which would otherwise have been due and payable under the Certificates is received by the Trustee. The payment obligations of the Company under the Purchase Undertaking will be direct, unsubordinated and unsecured obligations of the Company and shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition 6.2 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Company, present and future. Notwithstanding the above, if all of the Certificates of a Series are being redeemed in full an amount equal to the relevant Additional Services Charge Amount to be paid by the Obligor as part of any Exercise Price, Certificateholder Put Right Exercise Price, Change of Control Put Right Exercise Price or Tangibility Event Put Right Exercise Price (as applicable) under the Purchase Undertaking (upon exercise of the applicable right granted thereunder) and any Additional Services Charge Amount to be paid by the Trustee under the Service Agency Agreement in respect of which the Lessee has agreed to make a corresponding payment of Additional Supplementary Rental under the Master Lease Agreement and the relevant Supplemental Lease Agreement but such payment has not been made shall be set off against one another, and the obligation to pay that part of the Exercise Price (payable by the Obligor upon exercise of the applicable right granted pursuant to the Purchase Undertaking) shall be discharged by such set-off.

In the Purchase Undertaking, the Company has undertaken to comply with all provisions of the Conditions and the Transaction Documents to which it is a party and which are expressed to be applicable to it including, without limitation the negative pledge provisions described in Condition 6.2 (*Negative Pledge*).

The Company has further undertaken to the Trustee in the Purchase Undertaking that if: (i) at the time of delivery of the Exercise Notice in accordance with the provisions of the Purchase Undertaking, The Oil & Gas Holding Company B.S.C. (c) remains in actual or constructive possession, custody or control of all or part of the Lease Assets, the Certificateholder Put Right Lease Assets, the Change of Control Put Right Lease Assets or the Tangibility Event Put Right Lease Assets, as the case may be; and (ii) if following delivery of an Exercise Notice in accordance with the provisions of the Purchase Undertaking, the relevant Exercise Price, Certificateholder Put Right Exercise Price, Change of Control Put Right Exercise Price or Tangibility Event Put Right Exercise Price is not paid in accordance with the Purchase Undertaking for any reason whatsoever, the Company shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates then outstanding or the Certificates being redeemed pursuant to the Certificateholder Put Right, the Change of Control Put Right or the Tangibility Event Put Right, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price, the Certificateholder Put Right Exercise Price, the Change of Control Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be.

Payment of an amount equal to the relevant Exercise Price, the Certificateholder Put Right Exercise Price, the Change of Control Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, into the Transaction Account in accordance with the preceding paragraph shall evidence the conclusion of the transfer of the Trustee’s interests, rights, title, benefits and entitlements in, to and under the relevant Lease Assets,

Certificateholder Put Right Lease Assets, Change of Control Put Right Lease Assets or Tangibility Event Put Right Lease Assets (as the case may be) to the Company.

### **Sale Undertaking**

The Sale Undertaking will be executed as a deed on 15 May 2023 by the Trustee in favour of the Company and will be governed by English law.

In relation to each Series, pursuant to the Sale Undertaking, the Trustee shall irrevocably grant to the Company the right:

- (a) on the conditions described in Condition 8.2 (*Early Dissolution for Taxation Reasons*), to require the Trustee to sell, transfer and convey to the Company on the Early Tax Dissolution Date all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Lease Assets at the Exercise Price by executing a sale agreement;
- (b) if and to the extent that any Certificates have been purchased and are to be cancelled pursuant to Condition 8.10 (*Purchases*) and 8.11 (*Cancellation*) (the "**Cancellation Certificates**"), to require the Trustee to purchase the Cancellation Certificates from the Company in consideration for:
  - (i) the sale and transfer of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under a proportion of the Lease Assets not exceeding such proportion as is determined by dividing: (i) the aggregate outstanding face amount of Certificates to be cancelled pursuant to Condition 8.10 (*Purchases*) and 8.11 (*Cancellation*); by (ii) the aggregate outstanding face amount of the Certificates of the relevant Series (the "**Cancellation Proportion**"); and
  - (ii) the payment of an amount equal to the product of the aggregate amounts of the Deferred Sale Price under each Murabaha Contract relating to the relevant Series and the Cancellation Proportion, as determined on the relevant date on which the Cancellation Certificates are to be cancelled immediately prior to the redemption and cancellation of the relevant Cancellation Certificates (the "**Cancellation Amount**"),in each case, by executing a sale agreement;
- (c) provided that Optional Dissolution Right is specified as applicable in the applicable Pricing Supplement and the Company has exercised the Optional Dissolution Right in accordance with the Conditions, to require the Trustee to sell and transfer to the Company all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under a proportion of the Lease Assets not exceeding such proportion as is determined by dividing: (i) the aggregate outstanding face amount of Certificates to be redeemed pursuant to the exercise of the Optional Dissolution Right; by (ii) the aggregate outstanding face amount of the Certificates of the relevant Series immediately prior to such redemption (the "**Optional Dissolution Proportion**"), at the Optional Dissolution Exercise Price by executing a sale agreement;
- (d) to require, from time to time at the Company's sole discretion, the Trustee to sell, transfer and convey all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under any or all of the Lease Assets (the "**Substituted Assets**") to it in exchange for New Assets of a Value which is equal to or greater than the Value of the Substituted Assets (as certified by the Company in the relevant Substitution Notice), and provided that the New Assets are Eligible Assets. The substitution of the Substituted Assets with the New Assets will become effective on the date specified in the Substitution Notice to be delivered by the Company, by the Trustee and the Obligor entering into a sale agreement. In the event that Substituted Assets constitute all of the Lease Assets of the Series on the relevant Substitution Date (as defined in the Sale Undertaking), the then existing Supplemental Lease Agreement shall terminate and the Trustee and the Lessee will enter into a Supplemental Lease Agreement on that Substitution Date which will, among other things, specify the New Assets as the Lease Assets as at that Substitution Date. The relevant schedule to each relevant Supplemental Lease Agreement listing the Lease Assets shall be updated on each date on which any Lease Asset under that Series is transferred to the Company in accordance with the Transaction Documents; and
- (e) provided that 75 per cent. or more of the initial aggregate face amount of the Certificates of a Series have been redeemed or, as the case may be, purchased, pursuant to Condition 8.5 (*Dissolution at the Option of*

*Certificateholders (Change of Control Put Right)) or Condition 8.6 (Dissolution at the Option of Certificateholders (Tangibility Event Put Right)), to oblige the Trustee to sell and transfer to the Obligor on the Clean-Up 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 Lease Assets at the Exercise Price.*

### **Master Murabaha Agreement**

The Master Murabaha Agreement will be entered into on 15 May 2023 between the Trustee and the Obligor and will be governed by English law.

In connection with each Tranche under each Series of Certificates, the Trustee may desire to enter into a Commodity Murabaha Investment with the Company (in its capacity as buyer, the “**Buyer**”) using a portion of the issue proceeds of the relevant Tranche as specified in the applicable Pricing Supplement and which will be no more than 45 per cent. of the issue proceeds of that Tranche.

Pursuant to the Master Murabaha Agreement, the Trustee has undertaken that, on receipt of a Notice of Request to Purchase from the Buyer, the Trustee (acting through the Commodity Agent) may purchase the relevant Commodities no later than 10.30 a.m. (London time) on the relevant Issue Date (or such other time as may be agreed in writing by the Buyer and the Trustee), purchase the Commodities which are the subject of that Notice of Request to Purchase from the Commodity Supplier at the relevant Commodity Purchase Price in accordance with the terms set out in that Notice of Request to Purchase; and following such purchase of the relevant Commodities, offer to sell those Commodities to the Buyer at the relevant Deferred Sale Price on deferred payment terms in accordance with the Master Murabaha Agreement.

Upon completion of the purchase of the Commodities by the Trustee (acting through the Commodity Agent) provided that the Trustee has gained title and (actual or constructive) possession thereof, the Trustee may offer to sell such Commodities to the Buyer, upon the terms of the Master Murabaha Agreement and the relevant Offer Notice, by delivering an Offer Notice to the Buyer (with a copy to the Commodity Agent) no later than 11:00 on the Issue Date (or such other time as may be agreed in writing by the Buyer and the Trustee).

Immediately upon receipt of a duly completed and issued Offer Notice, the Buyer may, in accordance with the undertaking to purchase set out in the relevant Notice of Request to Purchase, accept such offer to purchase the Commodities from the Trustee by countersigning the relevant Offer Notice and sending it to the Trustee (with a copy to the Commodity Agent) by no later than 12 p.m. (London time) (or such other time as may be agreed between the Buyer and the Trustee) on the Issue Date (or such other time as may be agreed in writing by the Buyer and the Trustee) at the relevant Deferred Sale Price.

As soon as the Buyer has countersigned the Offer Notice, the relevant Murabaha Contract shall be created between the Trustee and the Buyer upon the terms of that 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 Commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto including the benefit of all of the Commodity Supplier's warranties and representations which are capable of being so transferred.

The Buyer may (but has no obligation to) following the purchase of the Commodities by the Buyer from the Trustee, and provided that the Buyer has acquired title to, and possession of, the Commodities, on-sell those Commodities to a third party.

Except as otherwise provided in the Master Murabaha Agreement, in connection with each Murabaha Contract, the Buyer has irrevocably and unconditionally undertaken to pay to the Trustee the Deferred Sale Price in accordance with the Master Murabaha Agreement and in the amounts and on the dates as specified in the relevant Offer Notice. Notwithstanding the foregoing, in accordance with the Master Murabaha Agreement, the amount and due date of the Deferred Sale Price shall be subject to adjustment (without further formality) as provided below:

- (a) the outstanding Deferred Sale Price shall become immediately due and payable on the Business Day immediately preceding the Early Tax Dissolution Date;
- (b) the Optional Dissolution Proportion of the outstanding Deferred Sale Price shall become immediately due and payable on the Business Day immediately preceding the Optional Dissolution Date;

- (c) the Certificateholders Put Right Proportion of the outstanding Deferred Sale Price shall become immediately due and payable on the Business Day immediately preceding the Certificateholders Put Right Date;
- (d) the Change of Control Put Right Proportion of the outstanding Deferred Sale Price shall become immediately due and payable on the Business Day immediately preceding the Change of Control Put Date;
- (e) the Tangibility Event Put Right Proportion of the outstanding Deferred Sale Price shall become immediately due and payable on the Business Day immediately preceding the Tangibility Event Put Date;
- (f) the outstanding Deferred Sale Price shall become immediately due and payable on the Dissolution Event Redemption Date;
- (g) the outstanding Deferred Sale Price shall become immediately due and payable on the Total Loss Dissolution Date;
- (h) the outstanding Deferred Sale Price shall become immediately due and payable on the Clean-Up Dissolution Date;
- (i) the Cancellation Proportion of the outstanding Deferred Sale Price shall be deemed to be cancelled with effect from the Cancellation Date; and
- (j) where, in the case of paragraphs (b), (c), (d), (e) and (i) above, less than the full amount of the outstanding Deferred Sale Price has been paid or cancelled (as applicable), the future payment of the relevant part of the Deferred Sale Price as originally provided in the relevant Offer Notice (as adjusted pursuant to this paragraph (j), if applicable) shall be reduced by the Optional Dissolution Proportion, the Certificateholder Put Right Proportion, the Change of Control Put Right Proportion, the Tangibility Event Put Right Proportion or the Cancellation Proportion (as applicable) and the remaining amount of the Deferred Sale Price following such reduction shall be due and payable in the amount as so adjusted but otherwise on the same date(s) as specified in the Offer Notice and otherwise in accordance with its terms and the terms of the Master Murabaha Agreement.

For the avoidance of doubt, the adjustments referred to above shall not result in there being any rebate payable by the Trustee to the Buyer in respect of the Deferred Sale Price.

The Deferred Sale Price, including as may be adjusted in accordance with the provisions of the preceding paragraph, shall be paid by the Buyer to the Trustee in cleared funds by crediting: (i) the Murabaha Profit Instalments and on the dates, each as specified in the Annex to the relevant Offer Notice, to the Collection Account; **provided that**, notwithstanding such payment to the Collection Account, the obligation of the Buyer to pay any Murabaha Profit Instalments to the Trustee pursuant to the Master Murabaha Agreement shall only be discharged upon payment of such amount by the Service Agent to the Trustee in accordance with the provisions of the Service Agency Agreement; and (ii) any amount specified as being payable on the relevant Dissolution Date pursuant to the preceding paragraph, as the case may be, to the Transaction Account.

The Buyer has agreed in the Master Murabaha Agreement that all payments by it under the Master Murabaha Agreement will be made in the Specified Currency and without any deduction or withholding for or on account of any present or future Taxes imposed by the Relevant Taxing Jurisdictions unless required by law and without set-off or counterclaim of any kind and, in the event that there is any 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 deduction or withholding had been made. In addition, if additional amounts are payable by the Trustee in respect of the Certificates in accordance with Condition 10 (*Taxation*), the Buyer has agreed in the Master Murabaha Agreement to pay to the Trustee an amount equal to such additional amounts by payment to the Transaction Account by wire transfer for same day value so that the full amount which would otherwise have been due and payable under the Certificates is received by the Trustee. The 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 6.2 (*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 15 May 2023 between the Trustee, the Obligor and the Delegate and will be governed by English law. A Supplemental Trust Deed between the same parties will be entered into on the Issue Date of each Tranche of Certificates and will also be governed by English law.

Upon issue of the Certificates of any Series, the Master Trust Deed and the relevant Supplemental Trust Deed shall together constitute the trust over the relevant Trust Assets declared by the Trustee in relation to such Series.

The Trust Assets in respect of each Series of Certificates comprise (unless otherwise specified in the relevant Supplemental Trust Deed), amongst other things, the cash proceeds of the issue of the Certificates, the interests, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (save as set out in Condition 5.1 (*Trust Assets*)) and any amounts standing to the credit of the relevant Transaction Account, as more particularly described in Condition 5.1 (*Trust Assets*).

Pursuant to the Master Trust Deed as supplemented by the relevant Supplemental Trust Deed, the Trustee will, in relation to each Series of Certificates, *inter alia*:

- (a) hold the relevant Trust Assets on trust absolutely for the holders of the Certificates as beneficiaries in respect of that Series only; and
- (b) 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 Master Trust Deed as supplemented by the relevant Supplemental Trust Deed.

The Trustee irrevocably and unconditionally appointed the Delegate to be its attorney and to execute, deliver and perfect all documents, and to exercise all of the present and future duties, powers (including the power to sub-delegate), rights, authorities and discretions vested in the Trustee by the Master Trust Deed that the Delegate may consider to be necessary or desirable in order, upon the occurrence of a Dissolution Event, and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction, to: (i) exercise all of the rights of the Trustee under the Purchase Undertaking, the Master Murabaha Agreement and any of the other Transaction Documents; and (ii) make such distributions from the Trust Assets as the Trustee is bound to make in accordance with the Master Trust Deed as supplemented by the relevant Supplemental Trust Deed. The appointment of such delegate is intended to be in the interests of the Certificateholders and does not affect the Trustee's continuing role and obligations as sole trustee.

The Master Trust Deed specifies that the rights of recourse in respect of Certificates shall be limited to the amounts from time to time available and comprising the relevant Trust Assets of that Series. The Certificateholders have no claim or recourse against the Trustee to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished.

A non-interest bearing Transaction Account in London will be established in respect of each Series of Certificates. Monies received in the Transaction Account in respect of each Series will, *inter alia*, comprise revenues from the Lease Assets other than in the nature of sale, capital or principal payments, and amounts of the Deferred Sale Price paid by the Company pursuant to a Commodity Murabaha Investment (see "*—Service Agency Agreement*" and "*—Master Murabaha Agreement*" above). The Master Trust Deed provides that all monies credited to the Transaction Account in respect of each Series will be applied in the order of priority set out in Condition 5.2 (*Application of Proceeds from Trust Assets*).

In addition, the Company has covenanted and undertaken in the Master Trust Deed that:

- (a) if: (i) at the time of delivery of an Exercise Notice in accordance with the provisions of the Purchase Undertaking The Oil & Gas Holding Company B.S.C. (c) remains in actual or constructive possession, custody or control of all or any part of the relevant Lease Assets, Certificateholder Put Right Lease Assets, Change of Control Put Right Lease Assets or Tangibility Event Put Right Lease Assets, as the case may be; and (ii) following delivery of an Exercise Notice in accordance with the provisions of the Purchase Undertaking, the Exercise Price, the Certificateholder Put Right Exercise Price, the Change of Control Put Right Exercise Price, the Tangibility Event Put Right Exercise Price or the Optional Dissolution Event Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever, the Obligor shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates then outstanding or the relevant Certificates to be redeemed on the Certificateholder Put Right

Date, Change of Control Put Date, Tangibility Event Put Date or the Optional Dissolution Date, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price, the Certificateholder Put Right Exercise Price, the Change of Control Put Right Exercise Price, the Tangibility Event Put Right Exercise Price or the Optional Dissolution Exercise Price (as the case may be); and

- (b) if the aggregate amount of each outstanding Deferred Sale Price relating to the relevant Series is not paid on the relevant Dissolution Date in accordance with the provisions of the Master Murabaha Agreement for any reason whatsoever, the Company shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the outstanding Certificates and, accordingly, the amount payable under any such indemnity claim will equal the aggregate amount of each outstanding Deferred Sale Price.

If and to the extent the Trustee has exercised its rights under Condition 20 (*Further Issues*) to issue additional Certificates in respect of a Series, on the date of issue of such additional Certificates, 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 the Additional Assets and the Lease Assets in respect of the relevant Series as in existence immediately prior to the creation and issue of the additional Certificates and each Commodity Murabaha Investment made pursuant to the Master Murabaha Agreement (and all rights arising under or with respect thereto) in relation to the relevant Series 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 Master Trust Deed.

### **Shari'a Compliance**

Each Transaction Document provides that the Trustee and the Obligor agrees that it has accepted the *Shari'a* compliant nature of the Transaction Documents to which it is a party and, to the extent permitted by law, further agrees that:

- (a) it shall not claim that any of its obligations under the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires* or not compliant with the principles of *Sharia*;
- (b) it shall not take any steps or bring any proceedings in any forum to challenge the *Shari'a* compliance of the Transaction Documents to which it is a party; and
- (c) none of its obligations under the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Transaction Documents to which it is a party are not compliant with the principles of *Shari'a*.

### **Defined Terms**

For the purposes of this Summary of the Principal Transaction Documents:

“**Additional Assets**” means, in relation to an Additional Tranche, the Eligible Assets specified as such in the relevant Supplemental Purchase Agreement;

“**Additional Tranche**” means any additional Tranche of Certificates issued pursuant to Condition 20 (*Further Issues*);

“**Additional Lease Period**” has the meaning given to it in the Purchase Undertaking;

“**Assets**” means the Initial Assets (in relation to the first Tranche of each Series), the Additional Assets (in relation to an Additional Tranche) or any Replacement Lease Assets;

“**Asset Purchase Price**” means, in relation to each Tranche, the purchase price payable by the Trustee in respect of the relevant Assets, as set out in the relevant Supplemental Purchase Agreement;

“**Additional Supplementary Rental**” means, in relation to a Lease Period, the aggregate of all amounts of additional supplementary rental that the Lessee has agreed to pay in respect of such Lease Period in accordance with the provisions of the Master Lease Agreement;

**“Certificateholder Put Right Exercise Price”** means, in relation to each Series, the aggregate of:

- (a) the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Certificateholder Put Right for the relevant Series; *plus*
- (b) all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Certificates being redeemed; *plus*
- (c) if all of the Certificates of a Series are being redeemed, without duplication or double counting, an amount representing any amounts payable by the Trustee (in any capacity) in relation to such Series under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate, any outstanding Additional Services Charge Amount (in respect of which the Lessee has agreed to make a corresponding payment of Additional Supplementary Rental but such payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement), and any other Priority Amounts which remain outstanding as at the Certificateholder Put Right Date); *plus*
- (d) any other amounts payable in relation to the Certificates being redeemed on the exercise of the Certificateholder Put Right as specified in the applicable Pricing Supplement,

*less*, an amount equal to the aggregate of each outstanding Deferred Sale Price relating to that Series which has been paid into the Transaction Account in accordance with the Master Murabaha Agreement and which shall be available on the applicable Certificateholder Put Right Date;

**“Certificateholders Put Right Proportion”** means such proportion as is determined by dividing (a) the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Certificateholders Put Right by (b) the aggregate outstanding face amount of the Certificates of the relevant Series immediately prior to such redemption;

**“Change of Control Put Right Proportion”** means such proportion as is determined by dividing (a) the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Change of Control Put Right by (b) the aggregate outstanding face amount of the Certificates of the relevant Series immediately prior to such redemption;

**“Change of Control Put Right Exercise Price”** means, in relation to each Series, the aggregate of:

- (a) the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Change of Control Put Right for the relevant Series; *plus*
- (b) all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Certificates being redeemed; *plus*
- (c) if all of the Certificates of a Series are being redeemed, without duplication or double counting, an amount representing any amounts payable by the Trustee (in any capacity) in relation to such Series under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate, any outstanding Additional Services Charge Amount (in respect of which the Lessee has agreed to make a corresponding payment of Additional Supplementary Rental but such payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement), and any other Priority Amounts which remain outstanding as at the Change of Control Put Date); *plus*
- (d) any other amounts payable in relation to the Certificates being redeemed on the exercise of the Change of Control Put Right as specified in the applicable Pricing Supplement,

*less*, an amount equal to the aggregate of each outstanding Deferred Sale Price relating to that Series which has been paid into the Transaction Account in accordance with the Master Murabaha Agreement and which shall be available on the applicable Change of Control Put Date;

**“Commodities”** means any of the commodities traded over the counter, which comprise any *Shari’a* compliant London Metal Exchange approved non-ferrous base metals, platinum group metals, or other *Shari’a* compliant commodities (excluding gold, silver, copper and platinum) acceptable to the Buyer and the Trustee, which, in each case, must be kept in London Metal Exchange approved, non-United Kingdom bonded warehouses or secure vaults;



**“Commodity Purchase Price”** means, in relation to each Series and each Tranche under each Series and the corresponding Murabaha Contract, the aggregate amount payable to the relevant Commodity Supplier by or on behalf of the Trustee for the purchase of the Commodities from the relevant Commodity Supplier by the Trustee, specified as such in the relevant Notice of Request to Purchase and which amount shall be equal to the relevant Murabaha Investment Amount;

**“Commodity Supplier”** means the vendor of Commodities as specified in the relevant Notice of Request to Purchase;

**“Deferred Payment Date”** means, in relation to a Murabaha Contract, the deferred payment dates with respect to the Deferred Sale Price, as specified as such in the annex to the relevant Offer Notice;

**“Deferred Sale Price”** means, in relation to a Murabaha Contract, the aggregate of the applicable Commodity Purchase Price and Murabaha Profit and specified as such in the Offer Notice;

**“Eligible Asset”** means any real estate asset (including, but not limited to, freehold or musataha interests) or tangible non real estate related asset (including, but not limited to, fixed plant and machinery and infrastructure) located in the Kingdom of Bahrain that is free and clear of all Encumbrances, is owned by the Seller and is capable of being sold and leased;

**“Encumbrance”** means any claim of ownership of any person (other than the Lessor), lien, pledge, mortgage, security interest, deed of trust, charge, sale undertaking(s) (other than the Trust Deed or the Sale Undertaking) or other encumbrance or arrangement having a similar effect;

**“Exercise Price”** means, in relation to each Series, the aggregate of:

- (a) the aggregate face amount of Certificates then outstanding for the relevant Series; *plus*
- (b) all accrued but unpaid Periodic Distribution Amounts (if any) relating to the Certificates of the relevant Series; *plus*
- (c) without duplication or double counting, an amount representing any amounts payable by the Trustee (in any capacity) in relation to such Series under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate, any outstanding Additional Services Charge Amount (in respect of which the Lessee has agreed to make a corresponding payment of Additional Supplementary Rental but such payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement), and any other Priority Amounts which remain outstanding as at the Dissolution Event Redemption Date or Scheduled Dissolution Date (as the case may be)); *plus*
- (d) any other amounts payable on redemption of the Certificates of the relevant Series as specified in the applicable Pricing Supplement,

*less*, the aggregate of:

- (i) an amount equal to the aggregate of each outstanding Deferred Sale Price relating to that Series which has been paid into the Transaction Account in accordance with the terms of the Master Murabaha Agreement and which shall be available on the applicable Dissolution Date; and
- (ii) in the case of a Dissolution Event arising as a result of a Partial Loss Termination Event only, any Insurance Proceeds and/or Loss Shortfall Amount paid into the Transaction Account in accordance with the Service Agency Agreement *less* any: (i) amount of Rental Reimbursement Amount; or (ii) other reimbursement or refund of Rental, in each case paid or payable in accordance with the terms of the Master Lease Agreement;

**“Impaired Asset”** means a Lease Asset in respect of which a Partial Loss Event has occurred;

**“Initial Assets”** means, in relation to the first Tranche of each Series, the Eligible Assets specified as such in the relevant Supplemental Purchase Agreement;

**“Insurance Coverage Amount”** means, in relation to each Series, an amount equal to the aggregate of:

- (a) in the case of a Total Loss Event:

- (i) the aggregate face amount of the Certificates then outstanding; *plus*
  - (ii) an amount equal to all accrued but unpaid Periodic Distribution Amounts relating to such Certificates which would have accrued (had a Total Loss Event or a Partial Loss Event, as the case may be, not occurred) during the period beginning on and including the date on which the Total Loss Event occurred and ending on and including the 61<sup>st</sup> day following the occurrence of the Total Loss Event; *plus*
  - (iii) without duplication or double counting, an amount representing any amounts payable by nogaholding Sukuk Limited (in any capacity) under the Transaction Documents to which it is a party (including, but not limited to, an amount equal to any outstanding Additional Services Charge Amount (in respect of which the Lessee has agreed to make a corresponding payment of Additional Supplementary Rental but such payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement); *less*
  - (iv) if any, the aggregate amounts of Deferred Sale Price then outstanding; and
- (b) in the case of a Partial Loss Event:
- (i) the aggregate value of the Impaired Assets (as determined by reference to the internal valuation of the Obligor of such Impaired Assets on the date on which they were acquired by the Trustee as set out in the relevant Supplemental Lease Agreement and/or the Sale Agreement); *plus*
  - (ii) an amount equal to any Rental Reimbursement Amount payable to the Lessee in accordance with the Master Lease Agreement;

“**Lease**” means, in relation to a Series, the lease created pursuant to the Master Lease Agreement and the relevant Supplemental Lease Agreement in connection with that Series;

“**Lease Assets**” means, in relation to a Series, the assets set out in a schedule to the relevant Supplemental Lease Agreement as such schedule shall be amended from time to time in accordance with the terms of the Master Lease Agreement (including, for the avoidance of doubt, to take into account:

- (a) the acquisition of Additional Assets by the Trustee from time to time;
- (b) the repair, refurbishment or upgrading of such assets from time to time as a result of any Major Maintenance and Structural Repair and/or any Ordinary Maintenance and Repair;
- (c) the substitution of Lease Assets for new Eligible Assets in accordance with the terms of the Sale Undertaking; and
- (d) any replacement of the Lease Assets following a Total Loss Event or the Impaired Asset(s) following a Partial Loss Event by the application by the Service Agent of any relevant proceeds of Insurances (or the rights to such proceeds of the Insurances) towards such replacement pursuant to the Service Agency Agreement, in which event such Lease Assets shall comprise the Replacement Lease Assets and cease to include the Lease Assets so replaced and in existence immediately prior to the Total Loss Event or the Partial Loss Event, as the case may be,

and, **provided however** that “**Lease Assets**” shall not include any Lease Asset which has been sold or transferred to the Obligor under the terms of the relevant Transaction Documents;

“**Lease Commencement Date**” means, in relation to a Series:

- (a) the Issue Date of the first Tranche of Certificates to be issued under that Series;
- (b) in the event that a Total Substitution Event occurs and a new Supplemental Lease Agreement is entered into in respect of that Series in accordance with the terms of the Sale Undertaking, the Substitution Date on which the Total Substitution Event occurred; or
- (c) in the event that, following the occurrence of a Total Loss Event, the relevant Lease Assets are replaced with Replacement Lease Assets in accordance with the Service Agency Agreement and a new

Supplemental Lease Agreement is entered into in respect of that Series, the date on which the relevant Replacement Lease Assets Purchase Agreement is entered into,

in each case, being the date on which the relevant Lease shall commence in accordance with the Service Agency Agreement and the relevant Supplemental Lease Agreement;

“**Lease End Date**” means, in relation to a Series, the Scheduled Dissolution Date of that Series, unless:

- (a) the relevant Lease is terminated on an earlier date in accordance with the terms of the Service Agency Agreement, in which case it shall mean the date on which such early termination becomes effective; or
- (b) the Lease End Date is extended in accordance with the Purchase Undertaking, in which case it shall mean the last day of the Additional Lease Period;

“**Lease Period**” means, in relation to a Series, the period from, and including, a relevant Rental Payment Date (or with respect to the first Lease Period under that Series, from, and including, the relevant Lease Commencement Date) to, but excluding, the immediately following Rental Payment Date (or, with respect to the final Lease Period of that Series, the relevant Lease End Date) and shall, where the context allows, include any Additional Lease Period;

“**Lease Replacement Notice**” means a lease replacement notice substantially in the form scheduled to the Master Lease Agreement;

“**Lease Term**” means, in relation to a Series, the period from and including the relevant Lease Commencement Date to but excluding the relevant Lease End Date;

“**Major Maintenance and Structural Repair**” means all structural repair and major maintenance (other than Ordinary Maintenance and Repair), including doing such acts or things and taking such steps to ensure that the Lease Assets suffer no damage, loss or diminution in value, without which the Lease Assets could not be reasonably and properly used by the Lessee;

“**Murabaha Contract**” means an individual contract for the sale of Commodities at a deferred sale price and made pursuant to the Master Murabaha Agreement by the delivery of both an Offer Notice by the Trustee to the Buyer and the subsequent countersignature of such Offer Notice by the Buyer in accordance with the terms of the Master Murabaha Agreement;

“**Murabaha Investment Amount**” means, in relation to a Series and each Tranche under a Series, the relevant proportion of the proceeds of the issue of the Certificates of that Tranche under that Series which are 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 specified as such in the applicable Pricing Supplement and which, in relation to any Tranche under a Series, shall be an amount equal to the face amount of the Certificates issued pursuant to the relevant Tranche of Certificates less the Asset Purchase Price (in the case of the first Tranche of Certificates or the relevant Additional Tranche, as the case may be), in each case, as at the relevant Issue Date **provided that** such amount shall not be greater than 45 per cent. of the face amount of the Certificates issued pursuant to the relevant Tranche of Certificates;

“**Murabaha Profit**” means, in relation to a proposed Murabaha Contract relating to a Tranche, the amount specified as such in the applicable Pricing Supplement;

“**Murabaha Profit Instalment**” means, in relation to a proposed Murabaha Contract relating to a Tranche, each instalment of the Murabaha Profit, payable on the Deferred Payment Dates as specified in the annex to the relevant Offer Notice;

“**Murabaha Proportion**” means, in relation to a proposed Murabaha Contract relating to a Tranche, the proportion borne by the Commodity Purchase Price of that Murabaha Contract to the face amount of the Certificates issued pursuant to that Tranche;

“**New Assets**” means Eligible Assets specified as such in a Substitution Notice;

“**Notice of Request to Purchase**” has the meaning given to it in the Master Murabaha Agreement;

“**Offer Notice**” means an offer notice to be issued by the Trustee to the Buyer substantially in the form scheduled to the Master Murabaha Agreement;

“**Ordinary Maintenance and Repair**” means all repairs, replacements, acts, maintenance and upkeep works required for the general use and operation of the Lease Assets and to keep, repair, maintain and preserve the Lease Assets in good order, state and condition;

“**Optional Dissolution Exercise Price**” means, in relation to each Series, the aggregate of:

- (a) the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Optional Dissolution Right for the relevant Series; *plus*
- (b) all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Certificates being redeemed; *plus*
- (c) if all of the Certificates of a Series are being redeemed, without duplication or double counting, an amount representing any amounts payable by the Trustee (in any capacity) in relation to such Series under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate, any outstanding Additional Services Charge Amount (in respect of which the Lessee has agreed to make a corresponding payment of Additional Supplementary Rental but such payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement), and any other Priority Amounts which remain outstanding as at the Optional Dissolution Date); *plus*
- (d) any other amounts payable in relation to the Certificates being redeemed on the exercise of the Optional Dissolution Right as specified in the applicable Pricing Supplement,

*less*, an amount equal to the aggregate of each outstanding Deferred Sale Price relating to that Series which has been paid into the Transaction Account in accordance with the Master Murabaha Agreement and which shall be available on the applicable Optional Dissolution Date to pay a proportion of the aggregate amounts payable on redemption of the Certificates being redeemed following exercise of the Optional Dissolution Right;

“**Partial Loss Event**” means, in relation to each Series, the partial impairment of one or more of the Lease Assets in a manner that substantially deprives the Lessee of the benefits expected from the whole of the Lease Assets, as determined by the Lessee and the occurrence of which: (a) has been certified in writing by a recognised independent industry expert; (b) has not arisen as a result of the Lessee’s negligence or misconduct; and (c) does not constitute a Total Loss Event;

“**Partial Loss Termination Event**” means, with respect to any Series, the termination of the Lease on the 61<sup>st</sup> day after the occurrence of a Partial Loss Event as a result of either: (a) delivery by the Obligor of a Partial Loss Termination Notice to the Trustee on or before the 30<sup>th</sup> day after the Partial Loss Event in accordance with the Master Lease Agreement; or (b) failure by the Obligor to replace the relevant Impaired Assets on or before the 60<sup>th</sup> day after the date of the Partial Loss Event in accordance with the Service Agency Agreement;

“**Partial Loss Termination Notice**” has the meaning given to it in the Master Lease Agreement;

“**Priority Amounts**” means any amounts described in Condition 5.2(a);

“**Proprietorship Taxes**” means all Taxes in relation to the relevant Lease Assets, imposed, charged or levied by law, regulation or decree against a proprietor, but excluding all Taxes that are imposed, charged or levied by law, regulation or decree against a lessee or a tenant;

“**Rental**” means, for each Lease Period in relation to a Series, an amount equal to:

- (a) for each Lease Period (other than an Additional Lease Period which commences on or after the relevant Scheduled Dissolution Date) in relation to a Series, an amount equal to the Periodic Distribution Amount for the corresponding Return Accumulation Period as determined in accordance with Condition 7.3 (*Calculation of Periodic Distribution Amount*);
- (b) for each Additional Lease Period which commences on or after the relevant Scheduled Dissolution Date, an amount equal to the Periodic Distribution Amount for the corresponding Periodic Distribution Period as determined in accordance with Condition 7.3 (*Calculation of Periodic Distribution Amount*);

(c) the Supplementary Rental and the Additional Supplementary Rental (in each case, if any),

less, the aggregate of any Profit Amounts payable in respect of such Lease Period pursuant to any Murabaha Contract(s);

“**Rental Payment Date**” means, in relation to each Series, the date which is the Business Day immediately preceding each Periodic Distribution Date under that Series and (if applicable) the last day of an Additional Lease Period under that Series;

“**Rental Reimbursement Amount**” has the meaning given to it in the Master Lease Agreement;

“**Replacement Lease Assets**” has the meaning given to it in the Service Agency Agreement;

“**Services Charge Amount**” means, in respect of a Lease Period under each Series, all payments made or liabilities incurred or paid by the Service Agent in respect of the Services performed in relation to the Lease Assets of the relevant Series during that Lease Period but excluding any payments or liabilities which comprise any Additional Services Charge Amounts (in each case, inclusive of any Taxes);

“**Services Invoice Date**” means, in relation to a Lease Period under a Series in which the Services Charge Amount was paid or incurred, the fifth Business Day prior to:

- (a) the Rental Payment Date applicable to that Lease Period;
- (b) the date of termination of the Lease, in the case of the termination of the relevant Lease prior to a Rental Payment Date; or
- (c) the Lease End Date, in the case of the final Rental Period (including as a result of a Total Loss Event or a Total Substitution Event);

“**Shari’a Adviser**” has the meaning given to it in the Service Agency Agreement;

“**Substitution Notice**” means a substitution notice substantially in the form scheduled to the Sale Undertaking;

“**Supplementary Rental**” means, in respect of a Lease Period of a Series, an amount equal to the Services Charge Amount applicable to: (a) the immediately preceding Lease Period (if any) in respect of the relevant Series; or (b) where a new Supplemental Lease Agreement is being entered into following the occurrence of a Total Substitution Event or a Total Loss Event, the final Lease Period under the immediately preceding Supplemental Lease Agreement in respect of the same Series;

“**Tangibility Event**” shall occur if the Tangibility Ratio falls below 33 per cent., other than as a result of a Total Loss Event or a Partial Loss Event;

“**Tangibility Event Delisting Date**” shall be the date falling 10 days after the Tangibility Event Put Date (and if such date is not a business day, the next following business day (being, for this purpose, a day on which each stock exchange on which the Certificates have been admitted to listing is open for business));

“**Tangibility Event Put Date**” shall be the first Business Day falling 50 days after the expiry of the Tangibility Event Put Period;

“**Tangibility Event Put Period**” shall be the period commencing on (and including) the date on which the Tangibility Event Notice is given and ending on (and including) the date which is 30 days after the date on which the Tangibility Event Notice is given;

“**Tangibility Event Put Right Exercise Price**” means, in relation to each Series, the aggregate of:

- (a) the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Tangibility Event Put Right for the relevant Series; *plus*
- (b) all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Certificates being redeemed; *plus*
- (c) if all of the Certificates of a Series are being redeemed, without duplication or double counting, an amount representing any amounts payable by the Trustee (in any capacity) in relation to such Series under the

Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate, any outstanding Additional Services Charge Amount (in respect of which the Lessee is required to make a corresponding payment of Additional Supplementary Rental but such payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement), and any other Priority Amounts which remain outstanding as at the Tangibility Event Put Date); plus

- (d) any other amounts payable in relation to the Certificates being redeemed on the exercise of the Tangibility Event Put Right as specified in the applicable Pricing Supplement,

*less*, an amount equal to the aggregate of each outstanding Deferred Sale Price relating to that Series which has been paid into the Transaction Account in accordance with the Master Murabaha Agreement and which shall be available on the applicable Tangibility Event Put Date;

**“Tangibility Event Put Right Proportion”** means such proportion as is determined by dividing (a) the aggregate outstanding face amount of the Certificates being redeemed pursuant to the Tangibility Event Put Right by (b) the aggregate outstanding face amount of the Certificates of the relevant Series immediately prior to such redemption;

**“Tangibility Ratio”** means, at any time, the ratio of (a) the aggregate Value of the Lease Assets to (b) the aggregate of (i) the aggregate Value of the Lease Assets and (ii) the aggregate amounts of each outstanding Deferred Sale Price relating to the relevant Series;

**“Taxes”** means any tax, levy, impost, duty or other charge or withholding or deduction of a similar nature;

**“Total Loss Event”** means, in relation to each Series, the total loss or destruction of, or damage to, the whole of the Lease Assets or any event or occurrence that renders the whole of the Lease Assets permanently unfit for any economic use and (but only after taking into consideration any Insurances or other indemnity granted by any third party in respect of the Lease Assets) the repair or remedial work in respect thereof is wholly uneconomical;

**“Total Substitution Event”** means, in relation to each Series, the substitution of all (and not part only) of the Lease Assets for new Eligible Assets in accordance with the terms of the Sale Undertaking;

**“Transaction Account”** means, in relation to a particular Series, the non-interest bearing transaction account in London established by the Trustee and held with Citibank N.A., London Branch denominated in the Specified Currency, details of which are set out in the applicable Pricing Supplement into which, among other things, the Company will deposit all amounts due to the Trustee under the Transaction Documents; and

**“Value”** means, at any time in respect of any Asset or Lease Asset, as the case may be, the amount in the Specified Currency (following conversion, if necessary, of any relevant amount(s)) determined by the Company acting reasonably as being equal to the value of that Asset or Lease Asset, as the case may be, on the date that it was purchased or otherwise acquired by the Trustee as set out in the relevant Sale Agreement and/or Supplemental Purchase Agreement, as the case may be.

## TAXATION

*The following is a general description of certain Cayman Islands, Bahrain and U.S. tax considerations relating to the Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Certificates, whether in those jurisdictions or elsewhere. It is not intended and does not constitute tax advice. Prospective purchasers of Certificates are advised to consult their tax advisers as to the consequences, under the tax laws of the countries of their respective citizenship, residence or domicile, of a purchase of Certificates, including, but not limited to, the consequences of receipt of payments under the Certificates and their disposal or redemption. This summary is based upon the law as in effect on the date of these Base Listing Particulars and is subject to any changes in law that might take effect after such date.*

### **Cayman Islands Taxation**

Under existing Cayman Islands laws payments on the Certificates to be issued under the Programme will not be subject to taxation in the Cayman Islands and no withholding under Cayman Islands law will be required on the payment 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 tax 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 amended), of the Cayman Islands, an undertaking dated 11 March 2021 that for a period of 30 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 amended), 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 such Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of the Trustee's authorised share capital. At current rates, this annual registration fee is approximately U.S.\$853.66. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

### **Bahrain Taxation**

As at the date of these Base Listing Particulars, there are no taxes payable with respect to income, withholding or capital gains under existing Bahrain laws. Under current Bahrain laws, no Certificateholder will be deemed to be resident, domiciled or carrying on any commercial activity in Bahrain or subject to any Bahrain tax as a result only of holding any of the Certificates.

Corporate income tax is only levied on oil, gas and petroleum companies at a flat rate of 46 per cent. This tax is applicable to any oil company conducting business activity of any kind in Bahrain, including oil production, refining and exploration, regardless of the company's place of incorporation.

There are no currency or exchange control restrictions currently in force under Bahrain law and the free transfer of currency into and out of Bahrain is permitted, subject to any anti-money laundering regulations and international regulations in force from time to time.

Bahrain has introduced the Value Added Tax Law No. 48 of 2018 for the imposition of value added tax on certain products and services.

### **United States Federal Income Taxation**

The following summary discusses the principal U.S. federal income tax consequences of the acquisition, ownership and disposition of the Certificates. Except as specifically noted below, this discussion applies only to Certificates held as capital assets and U.S. Holders (as defined below).

The Trust intends to treat the Certificates under the rules applicable to debt instruments for U.S. tax purposes. Under such treatment, U.S. Holders will not be required to take account of income and expenses incurred at the level of the Trust. The following discussion assumes that such treatment would be respected. Prospective

investors should note, however, that the classification of an instrument as debt is highly factual. No rulings have been or will be sought from the U.S. Internal Revenue Service (the “IRS”) with respect to the classification of the Certificates in general or with respect to any particular Certificates.

The IRS may therefore seek to characterise the Certificates as interests in the Trust for U.S. federal income tax purposes. In that event, if the Trust is treated as a grantor trust, the Trustee and U.S. Holders would be subject to certain information reporting applicable to foreign trusts and U.S. investors would be required to take account of income and expenses incurred at the level of the Trust. U.S. Holders that fail to comply with the applicable information reporting requirements in a timely manner could be subject to significant penalties, including a penalty of up to 35 per cent. of the amount paid for a Certificate and 35 per cent. of distributions received from the Trustee. Moreover, a U.S. Holder that fails to file the appropriate information return within 90 days after the date on which the IRS mails notice of such failure to the holder may be liable for a penalty (in addition to the penalty described in the preceding sentence) of U.S.\$10,000 for each 30-day period (or fraction thereof) during which such failure continues after the expiration of such 90-day period. A U.S. Holder could also be liable for penalties equal to 5 per cent. of the gross value of the portion of the trust owned by a U.S. Holder at the close of the year, if the Trust failed to file a U.S. annual information return and provide each U.S. Holder with a foreign grantor trust owner statement. Similar penalties would be applicable to the Trustee for failure to comply. The Trustee does not expect that it will provide information that would allow either itself or U.S. Holders to comply with foreign trust reporting obligations if they were determined to be applicable. If the Certificates are treated as interests in a trust and the Trust is not treated as a grantor trust, it is possible that the U.S. Holders could be treated as holding interests in a passive foreign investment company (“PFIC”) which could have materially adverse tax consequences to U.S. Holders. Treatment of the Certificates as interests in a trust may cause the timing, amount, and character of the U.S. Holder’s income to be different from those described below and may subject the U.S. Holder to certain transfer reporting requirements. If the Trust is treated as a “foreign financial institution” for purposes of the Foreign Account Tax Compliance Act (“FATCA”) and the Certificates are not treated as debt instruments that are subject to grandfathering under FATCA, the payments under the Certificate may be subject to withholding under FATCA. The rules governing FATCA have not yet been fully developed in this regard, and the future application of FATCA to the Trust and the Certificates is uncertain.

U.S. Holders should consult their tax advisers as to the potential application of the foreign trust reporting rules, the possibility that the Certificates will be classified as equity interests in a PFIC, and the consequences of owning an equity interest in a PFIC and the tax consequences generally with respect to an investment in the Certificates.

This discussion does not describe all of the tax consequences that may be relevant in light of a Certificateholder’s particular circumstances or to Certificateholders subject to special rules, such as:

- financial institutions;
- insurance companies;
- dealers in securities or foreign currencies;
- traders in securities or foreign currencies electing to mark their positions to market;
- regulated investment companies;
- real estate investment trusts;
- tax-exempt organisations;
- persons subject to the alternative minimum tax;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the Certificates being taken into account in an applicable financial statement;
- persons holding Certificates as part of a hedging transaction, “straddle”, conversion transaction or other integrated transaction;
- U.S. Holders whose functional currency is not the U.S. dollar; or
- entities classified as partnerships for U.S. federal income tax purposes.

This summary is based on Code, administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury Regulations, changes to any of which subsequent to the date of these Base Listing Particulars may affect the tax consequences described below. This summary does not address any U.S. federal tax consequences other than U.S. federal income tax consequences, such as the estate tax, gift tax or the medicare tax on net investment income. Moreover, this summary deals only with Certificates with a term of 30 years or



less. Persons considering the purchase of a particular Tranche of Certificates should consult the relevant supplement to these Base Listing Particulars (if any) issued in connection with that Tranche of Certificates for any discussion regarding U.S. federal income taxation and should consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations, as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

To the extent applicable, the tax treatment of certain Certificates such as Certificates that are not principal protected will be specified in the relevant supplement to these Base Listing Particulars issued in connection with those Certificates.

As used herein, the term “**U.S. Holder**” means a beneficial owner of a Certificate that is for U.S. federal income tax purposes:

- an individual that is a citizen or resident of the United States;
- a corporation created or organised in or under the laws of the United States, or any state thereof (including the District of Columbia);
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust (i) if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) if such trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

The term “U.S. Holder” also includes certain former citizens and residents of the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Certificates, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners of partnerships holding Certificates should consult with their tax advisers regarding the U.S. federal tax consequences of an investment in the Certificates.

#### ***Payments of Periodic Distribution Amounts***

Periodic Distribution Amounts paid on a Certificate will be taxable to a U.S. Holder as ordinary income at the time it accrues or is received in accordance with the Certificateholder’s method of accounting for U.S. federal income tax purposes, to the extent that such Periodic Distribution Amount is “qualified stated interest” (as defined below).

Stated profit (or its equivalent) that is unconditionally payable, or constructively received, in cash or property (other than in debt instruments of the issuer) at least annually during the entire term of the Certificate and equal to the outstanding principal balance of the Certificate multiplied by a single fixed rate of profit, will be treated as “**qualified stated interest**”, under Section 451 of the Code. In addition, profit on a Floating Rate Certificate that is unconditionally payable, or will be constructively received under Section 451 of the Code, in cash or property (other than debt instruments issued by the Trustee) at least annually will constitute “qualified stated interest” if the Certificate is a “variable rate debt instrument” (“**VRDI**”) under the rules described below and the profit is payable at a single “qualified floating rate” or single “objective rate” (each as defined below). If the Certificate is a VRDI but the profit is payable other than at a single qualified floating rate or at a single objective rate, special rules apply to determine the portion of such profit that constitutes “qualified stated interest.” See “*Original Issue Discount—Floating Rate Certificates that are VRDIs*” below. Profit earned by a U.S. Holder with respect to a Certificate will generally constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the Certificateholder’s foreign tax credit limitation. The rules regarding foreign tax credits are complex and prospective investors should consult their tax advisers about the application of such rules to them in their particular circumstances. Special rules governing the treatment of profit paid with respect to short-term Certificates, original issue discount Certificates, contingent payment debt instruments and foreign currency Certificates are described under “*Short-Term Certificates*”, “*Original Issue Discount*”, “*Contingent Payment Debt Instruments*” and “*Foreign Currency Certificates*”.

*Definition of Variable Rate Debt Instrument.* A Certificate is a VRDI if all of the four following conditions are met. First, the “issue price” of the Certificate (as described below) must not exceed the total non-contingent principal payments by more than an amount equal to the lesser of (i) 0.015 multiplied by the product of the total non-contingent principal payments and the number of complete years to maturity from the issue date (or, in the case of a Certificate that provides for payment of any amount other than qualified stated interest before maturity, its weighted average maturity) and (ii) 15 per cent. of the total non-contingent principal payments. Second, the Certificate must generally provide for stated profit (or its equivalent) (compounded or paid at least annually) at

(a) one or more qualified floating rates, (b) a single fixed rate and one or more qualified floating rates, (c) a single objective rate or (d) a single fixed rate and a single objective rate that is a “qualified inverse floating rate” (as defined below). Third, the Certificate must provide that a qualified floating rate or objective rate in effect at any time during the term of the Certificate is set at the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day. Fourth, the Certificate may not provide for any principal payments that are contingent except as provided in the first requirement set forth above.

Subject to certain exceptions, a variable rate of profit on a Certificate is a “**qualified floating rate**” if variations in the value of the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the Certificate is denominated. A variable rate will be considered a qualified floating rate if the variable rate equals (i) the product of an otherwise qualified floating rate and a fixed multiple (i.e., a spread multiplier) that is greater than 0.65, but not more than 1.35 or (ii) an otherwise qualified floating rate (or the product described in clause (i)) plus or minus a fixed rate (i.e., a spread). If the variable rate equals the product of an otherwise qualified floating rate and a single spread multiplier greater than 1.35 or less than or equal to 0.65, however, such rate will generally constitute an objective rate, described more fully below. A variable rate will not be considered a qualified floating rate if the variable rate is subject to a cap, floor, governor (i.e., a restriction on the amount of increase or decrease in the stated profit rate) or similar restriction that is reasonably expected as of the issue date to cause the yield on the Certificate to be significantly more or less than the expected yield determined without the restriction (other than a cap, floor or governor that is fixed throughout the term of the Certificate).

Subject to certain exceptions, an “**objective rate**” is a rate (other than a qualified floating rate) that is determined using a single fixed formula and that is based on objective financial or economic information that is neither within the Trustee’s control (or the control of a related party) nor unique to the Trustee’s circumstances (or the circumstances of a related party). Notwithstanding the first sentence of this paragraph, a rate on a Certificate is not an objective rate if it is reasonably expected that the average value of the rate during the first half of the Certificate’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Certificate’s term. An objective rate is a “**qualified inverse floating rate**” if (a) the rate is equal to a fixed rate minus a qualified floating rate and (b) the variations in the rate can reasonably be expected to reflect inversely contemporaneous variations in the cost of newly borrowed funds (disregarding any caps, floors, governors or similar restrictions that would not, as described above, cause a rate to fail to be a qualified floating rate).

Unless otherwise provided in the relevant supplement to these Base Listing Particulars (if any) issued in connection with a particular Tranche of Certificates, it is expected, and this discussion assumes, that a Floating Rate Certificate will qualify as a VRDI. If a Floating Rate Certificate does not qualify as a VRDI, then the Floating Rate Certificate will generally be treated as a contingent payment debt instrument, as discussed below under “*Contingent Payment Debt Instruments*”.

### ***Original Issue Discount***

Except in the case of a short-term Certificate, a Certificate that has an “issue price” that is less than its “stated redemption price at maturity” will be considered to have been issued at an original issue discount (“**OID**”) for U.S. federal income tax purposes (and will be referred to as an “original issue discount Certificate”) unless the Certificate satisfies a *de minimis* threshold (as described below). The “issue price” of a Certificate generally will be the first price at which a substantial amount of the Certificates are sold to the public (which does not include sales to bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers). The “stated redemption price at maturity” of a Certificate generally will equal the sum of all payments required to be made under the Certificate other than payments of qualified stated interest.

If the difference between a Certificate’s stated redemption price at maturity and its issue price is less than a *de minimis* amount, i.e., 1/4 of 1 per cent. of the stated redemption price at maturity multiplied by the number of complete years to maturity (or, in the case of a Certificate that provides for payment of any amount other than qualified stated interest prior to maturity, the weighted average maturity of the Certificate), the Certificate will not be considered to have OID. U.S. Holders of Certificates with a *de minimis* amount of OID will include this OID in income, as capital gain, on a pro rata basis as principal payments are made on the Certificate.

A U.S. Holder may make an election to include in gross income all profit that accrues on any Certificate (including qualified stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated profit, as adjusted by any amortisable bond premium or acquisition premium) in accordance with a constant yield method based on the compounding of profit, and may revoke such election only with the permission of the IRS (a “**constant yield election**”).

The Trustee may have an unconditional option to redeem, or U.S. Holders may have an unconditional option to

require the Trustee to redeem, a Certificate prior to its stated maturity date. Under applicable regulations, if the Trustee has an unconditional option to redeem a Certificate prior to its stated maturity date, this option will be presumed to be exercised if, by utilising any date on which the Certificate may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the Certificate as the stated redemption price at maturity, the yield on the Certificate would be lower than its yield to maturity. If the U.S. Holders have an unconditional option to require the Trustee to redeem a Certificate prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the Certificate would be higher than its yield to maturity. If this option is not in fact exercised, the Certificate would be treated, solely for purposes of calculating OID, as if it were redeemed, and a new Certificate were issued, on the presumed exercise date for an amount equal to the Certificate's adjusted issue price on that date. The adjusted issue price of an original issue discount Certificate is defined as the sum of the issue price of the Certificate and the aggregate amount of previously accrued OID, less any prior payments other than payments of qualified stated interest.

*Fixed Rate Certificates.* In the case of a Fixed Rate Certificate that is an original issue discount Certificate, U.S. Holders of such Certificate will be required to include OID in income for U.S. federal tax purposes as it accrues in accordance with a constant yield method based on a compounding of profit, regardless of whether cash attributable to this income is received.

*Floating Rate Certificates that are VRDIs.* In the case of a Floating Rate Certificate that is a VRDI and that provides for profit at a single variable rate, the amount of qualified stated interest and the amount of OID, if any, includible in income during a taxable year are determined under the rules applicable to Fixed Rate Certificates (described above) by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or a qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), the rate that reflects the yield that is reasonably expected for the Certificate. Qualified stated interest allocable to an accrual period is increased (or decreased) if the profit actually paid or accrued during an accrual period exceeds (or is less than) the profit assumed to be paid or accrued during the accrual period.

If a Certificate that is a VRDI does not provide for profit at a single variable rate as described above, the amount of profit and OID accruals are determined by constructing an equivalent fixed rate debt instrument, as follows:

- *First*, in the case of an instrument that provides for stated profit at one or more qualified floating rates or at a qualified inverse floating rate and, in addition, at a fixed rate (other than a fixed rate that is treated as, together with a variable rate, a single qualified floating rate or objective rate), replace the fixed rate with a qualified floating rate (or qualified inverse floating rate) such that the fair market value of the instrument, so modified, as of the issue date would be approximately the same as the fair market value of the unmodified instrument.
- *Second*, determine the fixed rate substitute for each variable rate provided by the Certificate. The fixed rate substitute for each qualified floating rate provided by the Certificate is the value of that qualified floating rate on the issue date. If the Certificate provides for two or more qualified floating rates with different intervals between profit adjustment dates (for example, the 30-day commercial paper rate and quarterly EURIBOR), the fixed rate substitutes are based on intervals that are equal in length (for example, the 90-day commercial paper rate and quarterly EURIBOR, or the 30-day commercial paper rate and monthly EURIBOR). The fixed rate substitute for an objective rate that is a qualified inverse floating rate is the value of the qualified inverse floating rate on the issue date. The fixed rate substitute for an objective rate (other than a qualified inverse floating rate) is a fixed rate that reflects the yield that is reasonably expected for the Certificate.
- *Third*, construct an equivalent fixed rate debt instrument that has terms that are identical to those provided under the Certificate, except that the equivalent fixed rate debt instrument provides for the fixed rate substitutes determined in the second step, in lieu of the qualified floating rates or objective rate provided by the Certificate.
- *Fourth*, determine the amount of qualified stated interest and OID for the equivalent fixed rate debt instrument under the rules (described above) for Fixed Rate Certificates. These amounts are taken into account as if the U.S. Holder held the equivalent fixed rate debt instrument. See “*Payments of Periodic Distribution Amounts*” and “*Original Issue Discount—Fixed Rate Certificates*” above.
- *Fifth*, make appropriate adjustments for the actual values of the variable rates. In this step, qualified stated interest or, in certain circumstances, OID allocable to an accrual period is increased (or decreased) if the profit actually accrued or paid during the accrual period exceeds (or is less than) the profit assumed to be accrued or paid during the accrual period under the equivalent fixed rate debt instrument.

### ***Market Discount***

If a U.S. Holder purchases a Certificate (other than a short-term Certificate) for an amount that is less than its stated redemption price at maturity or, in the case of an original issue discount Certificate, its adjusted issue price, the amount of the difference will be treated as market discount for U.S. federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A U.S. Holder will be required to treat any principal payment (or, in the case of an original issue discount Certificate, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a Certificate, including disposition in certain non-recognition transactions, as ordinary income to the extent of the market discount accrued on the Certificate at the time of the payment or disposition unless this market discount has been previously included in income by the U.S. Holder pursuant to an election by the Certificateholder to include market discount in income as it accrues, or pursuant to a constant yield election (as described under “*Original Issue Discount*”) by the Certificateholder. In addition, the U.S. Holder may be required to defer, until the maturity of the Certificate or its earlier disposition (including certain non-taxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such Certificate.

If a U.S. Holder makes a constant yield election for a Certificate with market discount, such election will result in a deemed election for all market discount bonds acquired by the Certificateholder on or after the first day of the first taxable year to which such election applies. This election may only be revoked with the consent of the IRS.

### ***Acquisition Premium and Amortisable Bond Premium***

A U.S. Holder who purchases a Certificate for an amount that is greater than the Certificate’s adjusted issue price, but less than or equal to the sum of all amounts payable on the Certificate after the purchase date other than payments of qualified stated interest will be considered to have purchased the Certificate at an acquisition premium. Under the acquisition premium rules, the amount of OID that the U.S. Holder must include in its gross income with respect to the Certificate for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If a U.S. Holder purchases a Certificate for an amount in excess of the sum of the remaining amounts payable on the Certificate (other than qualified stated interest), the Certificateholder will be considered to have purchased the Certificate with amortisable bond premium equal in amount to such excess and will not be required to include any OID in gross income. The Certificateholder may elect to amortise this premium as an offset to qualified stated interest, using a constant yield method, over the remaining term of the Certificate. Special rules may apply in the case of a Certificate that is subject to optional redemption. A Certificateholder who elects to amortise bond premium must reduce its tax basis in the Certificate by the amount of the premium amortised in any year. An election to amortise bond premium applies to all taxable debt obligations then owned and thereafter acquired by the Certificateholder and may be revoked only with the consent of the IRS.

If a U.S. Holder makes a constant yield election (as described under “*Original Issue Discount*”) for a Certificate with amortisable bond premium, such election will result in a deemed election to amortise bond premium for all of the Certificateholder’s debt instruments with amortisable bond premium.

### ***Sale, Exchange, Retirement or the Taxable Disposition of the Certificates***

Upon the sale, exchange, retirement or other taxable disposition of a Certificate, a U.S. Holder will generally recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange, retirement or other taxable disposition and the Certificateholder’s adjusted tax basis in the Certificate. A U.S. Holder’s adjusted tax basis in a Certificate generally will equal the acquisition cost of the Certificate increased by the amount of OID and market discount included in the Holder’s gross income and decreased by any payment received from the Trustee other than a payment of qualified stated interest and any amortisable bond premium taken into account. Gain or loss, if any, will generally be U.S. source income for purposes of computing a U.S. Holder’s foreign tax credit limitation and, as a result, the use of foreign tax credits relating to any non-US income tax imposed upon gains in respect of the Certificates may be limited. For these purposes, the amount realised does not include any amount attributable to accrued profit on the Certificate. Amounts attributable to accrued profit (including OID) are treated as profit as described under “*Payments of Periodic Distribution Amounts*” and “*Original Issue Discount*”.

Except as described below, gain or loss realised on the sale, exchange, retirement or other taxable disposition of a Certificate will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement or other taxable disposition the U.S. Holder has held the Certificate for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount or, in the case of a short-term

Certificate, to the extent of any accrued discount not previously included in the Certificateholder's taxable income. See "*Original Issue Discount*" and "*Market Discount*". In addition, other exceptions to this general rule apply in the case of short-term Certificates, foreign currency Certificates, and contingent payment debt instruments. See "*Short-Term Certificates*", "*Foreign Currency Certificates*" and "*Contingent Payment Debt Instruments*". The deductibility of capital losses is subject to limitations.

### ***Short-Term Certificates***

A Certificate that matures one year or less from its date of issuance (a "**short-term Certificate**") will be treated as being issued at a discount and none of the profit paid on the Certificate will be treated as qualified stated interest. In general, a cash method U.S. Holder of a short-term Certificate is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so, with the consequence that the reporting of such income is deferred until it is received. Certificateholders who so elect and certain other Certificateholders, including those who report income on the accrual method of accounting for U.S. federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant yield method based on daily compounding. In the case of a U.S. Holder who is not required and who does not elect to include the discount in income currently, any gain realised on the sale, exchange, or retirement of the short-term Certificate will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those U.S. Holders will be required to defer deductions for any profit paid on indebtedness incurred to purchase or carry short-term Certificates in an amount not exceeding the accrued discount (which includes profit that is payable but that has not been included in gross income) with respect to such short-term Certificate until the accrued discount is included in income. A U.S. Holder's tax basis in a short-term Certificate is increased by the amount included in such holder's income on such a Certificate.

### ***Contingent Payment Debt Instruments***

If the terms of the Certificates provide for certain contingencies that affect the timing and amount of payments (including certain Floating Rate Certificates that do not qualify as VRDIs) they will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Certificates qualifies as qualified stated interest. Rather, a U.S. Holder must accrue profit for U.S. federal income tax purposes based on a "comparable yield" and account for differences between actual payments on the Certificate and the Certificate's "projected payment schedule" as described below. The comparable yield is determined by the Trustee at the time of issuance of the Certificates and, in general, equals the annual yield an issuer would pay, as of the issue date, on a fixed-rate, nonconvertible debt instrument with no contingent payments, but with terms and conditions otherwise comparable to the contingent payment debt instrument. The comparable yield may be greater than or less than the stated profit, if any, with respect to the Certificates. Solely for the purpose of determining the amount of profit that a U.S. Holder will be required to accrue on a contingent payment debt instrument, the Trustee will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt instrument equal to the comparable yield.

**Neither the comparable yield nor the projected payment schedule constitutes a representation regarding the actual amount, if any, that the contingent payment debt instrument will pay.**

For U.S. federal income tax purposes, a U.S. Holder will be required to use the comparable yield and the projected payment schedule established by the Trustee in determining profit accruals and adjustments in respect of an contingent payment debt instrument, unless the Certificateholder timely discloses and justifies the use of a different comparable yield and projected payment schedule to the IRS.

A U.S. Holder, regardless of its method of accounting for U.S. federal income tax purposes, will be required to accrue profit on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment debt instrument (as set forth below). As such, a U.S. Holder may be required to include profit in income each year in excess of any stated profit payments actually received in that year, if any.

A U.S. Holder will be required to recognise ordinary income on the profit equal to the amount of any net positive adjustment, i.e., the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of profit in respect of the contingent payment debt instrument that a Certificateholder would otherwise be required to include in income in the taxable year;

- to the extent of any excess, will give rise to an ordinary loss equal to the extent of the U.S. Holder's profit income on the contingent debt obligation during prior taxable years, reduced to the extent such profit was offset by prior net negative adjustments; and
- to the extent of any excess after the application of the previous two bullet points, will be carried forward as a negative adjustment to offset future profit income with respect to the contingent debt obligation or to reduce the amount realised on a sale, exchange or retirement of the contingent debt obligation.

A net negative adjustment will not be subject to the 2.0 per cent. floor limitation imposed on miscellaneous deductions when miscellaneous deductions become available again to individual U.S. Holders for tax years beginning on or after 1 January 2026. Where a U.S. Holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of profit or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange, retirement or other taxable disposition of a contingent payment debt instrument, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the Certificateholder's adjusted basis in the contingent payment debt instrument. A U.S. Holder's adjusted basis in a Certificate that is a contingent payment debt instrument generally will be the acquisition cost of the Certificate, increased by the profit previously accrued by the U.S. Holder on the Certificate under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any non-contingent payments and the projected amount of any contingent payments previously made on the Certificate. A U.S. Holder generally will treat any gain as profit (treated as ordinary income, and any loss as ordinary loss to the extent of the excess of previous profit inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations. In addition, if a Certificateholder recognises loss above certain thresholds, the Certificateholder may be required to file a disclosure statement with the IRS (as described under "*Other Reporting Requirements*").

Special rules will apply if one or more contingent payments on a contingent debt obligation become fixed. For purposes of the preceding sentence, a payment (including an amount payable at maturity) will be treated as fixed if (and when) all remaining contingencies with respect to it are remote or incidental within the meaning of the contingent debt regulations. A U.S. Holder's tax basis in the contingent debt obligation and the character of any gain or loss on the sale of the contingent debt obligation would also be affected. U.S. Holders are urged to consult their tax advisers concerning the application of these special rules.

### ***Foreign Currency Certificates***

The following discussion summarises the principal U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of Certificates that are denominated in a specified currency other than the U.S. dollar or the payments of profit or principal on which are payable in a currency other than the U.S. dollar ("**foreign currency Certificates**"). However, the U.S. federal income tax consequences to a U.S. Holder of the ownership and disposition of currency-linked Certificates and non-functional currency contingent payment debt instruments are not discussed herein and, if applicable, will be discussed in a supplement to these Base Listing Particulars issued in connection with the issuance of such Certificates and instruments.

The rules applicable to foreign currency Certificates could require some or all gain or loss on the sale, exchange or other disposition of a foreign currency Certificate to be re-characterised as ordinary income or loss. The rules applicable to foreign currency Certificates are complex and may depend on the Certificateholder's particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether a Certificateholder should make any of these elections may depend on the Certificateholder's particular U.S. federal income tax situation. U.S. Holders are urged to consult their tax advisers regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency Certificates.

A U.S. Holder who uses the cash method of accounting and who receives a payment of qualified stated interest in a foreign currency with respect to a foreign currency Certificate will be required to include in income the U.S. dollar value of the foreign currency payment (determined on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at the time, and this U.S. dollar value will be the U.S. Holder's tax basis in the foreign currency.

An accrual method U.S. Holder will be required to include in income the U.S. dollar value of the amount of profit, which is treated as ordinary income, (including OID or market discount, but reduced by acquisition premium and amortisable bond premium, to the extent applicable) that has accrued and is otherwise required to

be taken into account with respect to a foreign currency Certificate during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The U.S. Holder will recognise ordinary income or loss with respect to accrued profit on the date the income is actually received. The amount of ordinary income or loss recognised will equal the difference between the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period (or, where a Certificateholder receives U.S. dollars, the amount of the payment in respect of the accrual period) and the U.S. dollar value of profit that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to currently accrue OID or market discount.

An accrual method U.S. Holder may elect to translate profit (including OID) into U.S. dollars at the spot rate on the last day of the profit accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the profit accrual period, the spot rate on the date of receipt. A U.S. Holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

OID, market discount, acquisition premium and amortisable bond premium on a foreign currency Certificate are to be determined in the relevant foreign currency. Where the taxpayer elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realised with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued profit described above.

If an election to amortise bond premium is made, amortisable bond premium taken into account on a current basis shall reduce income on the profit in units of the relevant foreign currency. In that event, amortisable bond premium will be computed in foreign currency. A U.S. Holder making the election to amortise bond premium may recognise exchange gain or loss each period equal to the difference between the U.S. dollar value of bond premium with respect to such period determined on the date the profit attributable to such period is received and the U.S. dollar value of such amortised bond premium determined on the date of the acquisition of the Certificates. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realised on the sale, exchange or retirement of a foreign currency Certificate with amortisable bond premium by a U.S. Holder who has not elected to amortise the premium will be a capital loss to the extent of the bond premium (subject to the treatment of foreign currency gain or loss below).

A U.S. Holder's adjusted tax basis in a foreign currency Certificate will generally equal the "U.S. dollar cost" (as defined herein) of the Certificate to such holder increased by any previously accrued OID or market discount and decreased by any amortised premium and cash payments on the Certificate other than qualified stated interest. The "U.S. dollar cost" of a Certificate purchased with foreign currency will generally be the U.S. dollar value of the purchase price based on the spot rate of exchange on the date of purchase (or based on the spot rate of exchange on the settlement date of the purchase, in the case of Certificates traded on an established securities market that are purchased by a cash basis U.S. Holder or an electing accrual basis U.S. Holder). If a U.S. Holder receives foreign currency on a sale, exchange, retirement, or other taxable disposition of a Certificate, the amount realised generally will be based on the U.S. dollar value of such foreign currency translated at the spot rate on the date of disposition. In the case of a Certificate that is considered to be traded on an established securities market, a cash basis U.S. Holder and, if it so elects, an accrual basis U.S. Holder, will determine the U.S. dollar value of such foreign currency by translating such amount at the spot rate on the settlement date of the disposition. The special election available to accrual basis U.S. Holders in regard to the purchase and disposition of Certificates traded on an established securities market must be applied consistently to all debt instruments held by the U.S. Holder and cannot be changed without the consent of the IRS. If the Certificates are not traded on an established securities market (or the relevant holder is an accrual basis U.S. Holder that does not make the special settlement date election), a U.S. Holder will recognise exchange gain or loss to the extent that there are exchange rate fluctuations between the disposition date and the settlement date.

Gain or loss realised upon the sale, exchange, retirement or other taxable disposition of a foreign currency Certificate that is attributable to fluctuation in currency exchange rates will be ordinary income or loss which will not be treated as an adjustment of profit. Gain or loss attributable to fluctuations in exchange rates will equal the difference between (i) the U.S. dollar value of the foreign currency purchase price of the Certificate, determined on the date the payment is received or the Certificate is disposed of, and (ii) the U.S. dollar value of the foreign currency purchase price of the Certificate, determined on the date the U.S. Holder acquired the Certificate (adjusted, in each case, for any amortised bond premium that has been taken into account prior to the date of the sale, exchange or retirement). Payments received attributable to accrued profit will be treated in accordance with the rules applicable to payments of profit on foreign currency Certificates described above. The

foreign currency gain or loss will be recognised only to the extent of the total gain or loss realised by the Certificateholder on the sale, exchange, retirement or other taxable disposition of the foreign currency Certificate. The source of the foreign currency gain or loss will be determined by reference to the residence of the Certificateholder or the “qualified business unit” of the Certificateholder on whose books the Certificate is properly reflected. Any gain or loss realised by these Certificateholders in excess of the foreign currency gain or loss will be capital gain or loss except that any gain will be treated as ordinary income to the extent of any accrued market discount or, in the case of short term Certificate, to the extent of any discount not previously included in the Certificateholder’s income. Certificateholders should consult their tax advisers with respect to the tax consequences of receiving payments in a currency different from the currency in which payments with respect to such Certificate accrue.

### ***Further Issues of Certificates***

The Trustee may from time to time without the consent of the Certificateholders to create and issue additional trust certificates as described under “*Terms and Conditions of the Certificates.*” These additional trust certificates, even if they are treated for non-tax purposes as part of the same series as the original Certificates in some cases may be treated as a separate series for U.S. federal income tax purposes. In such case, the additional trust certificates may be considered to have OID (or a greater amount of OID) which may affect the market value of the original Certificates if the additional trust certificates are not otherwise distinguishable from the original Certificates.

### ***Backup Withholding and Information Reporting***

Information returns may be filed with the IRS in connection with payments on the Certificates (including any accrued OID) and the proceeds from a sale or other disposition of the Certificates. A U.S. Holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the Certificateholder’s U.S. federal income tax liability and may entitle them to a refund, *provided* that the required information is timely furnished to the IRS.

### ***Other Reporting Requirements***

A U.S. taxpayer that participates in a “reportable transaction” will be required to disclose its participation to the IRS by attaching Form 8886 to their tax returns and retaining a copy of all documents and records relating to the transaction. The scope and application of these rules is not entirely clear and whether an investment in a Certificate constitutes a “reportable transaction” for any holder depends on the holder’s particular circumstances. For example, a U.S. Holder may be required to treat a foreign currency exchange loss from the Certificates as a reportable transaction if the loss exceeds certain thresholds. In the event the acquisition, ownership or disposition of Certificates constitutes participation in a “reportable transaction” for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. Prospective purchasers should consult their tax advisers regarding the application of these rules to the acquisition, ownership or disposition of Certificates and should be aware that the Trustee (or other participants in the transaction) may determine that the investor list maintenance requirement applies to the transaction and comply accordingly with this requirement.

Certain U.S. Holders who are individuals (which may include certain entities treated as individuals for these purposes) are required to report information relating to an interest in Certificates, subject to certain exceptions (including an exception for Certificates held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisers regarding the effect, if any, of this legislation on their ownership and disposition of the Certificates.

**The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a Certificateholder’s particular situation. Certificateholders should consult their tax advisers with respect to the tax consequences to them of the ownership and disposition of the Certificates, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.**

### **Foreign Account Tax Compliance Act**

FATCA imposes a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a “**foreign financial institution**”, or “**FFI**” (as defined by FATCA)) that does not become a “Participating FFI” by entering into an agreement with the U.S. Internal



Revenue Service (“**IRS**”) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States account” of the Trustee (a “**Recalcitrant Holder**”). The Trustee may be classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to “foreign passthru payments” (a term not yet defined) no earlier than the date that is two years after the publication of the final regulations defining “**foreign passthru payment**”. This withholding would potentially apply to payments in respect of (i) any Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the “**grandfathering date**”, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Certificates characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Certificates are issued on or before the grandfathering date, and additional Certificates of the same series are issued after that date, the additional Certificates may not be treated as grandfathered, which may have negative consequences for the existing Certificates, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements to facilitate the implementation of FATCA (each, an “**IGA**”). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a “**Reporting FI**” not subject to withholding under FATCA on any payments it receives. Further, it is expected that an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being a “**FATCA Withholding**”) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS.

In particular, the Cayman Islands entered into a Model 1 IGA with the United States on 29 November 2013 (which came into force on 14 April 2014) (the “**US IGA**”). The Trustee will be required to comply with the Cayman Islands Tax Information Authority Law (2014 Revision) (as amended) together with regulations and guidance notes made pursuant to such Law (the “**Cayman FATCA Legislation**”) that give effect to the US IGA. To the extent the Trustee cannot be treated as a “Non-Reporting Cayman Islands Financial Institution” (as defined in the US IGA) by qualifying for one of the categories set out in Annex II thereto (for example by being a Sponsored Investment Entity (as defined therein)), the Trustee may be a “Reporting Cayman Islands Financial Institution” (as defined therein). As such, the Trustee would be required to register with the IRS to obtain a Global Intermediary Identification Number and to report to the Cayman Islands Tax Information Authority any payments made to Specified US Persons with respect to US Reportable Accounts (each such term as defined in the US IGA). The Cayman Islands has also implemented legislation for the purpose of the Common Reporting Standard (“**CRS**”) issued by the Organisation for Economic Cooperation and Development (“**Cayman CRS Legislation**”). The Trustee may be a Cayman Reporting Financial Institution under the Cayman CRS Legislation and, as such, required to register with the Cayman Islands Tax Information Authority and report information about its account holders on an annual basis. The Cayman Islands Tax Information Authority will exchange information in connection with US Reportable Accounts with the IRS under the terms of the relevant IGA and information about account holders with other tax authorities in accordance with CRS.

Under the terms of the US IGA, withholding generally should 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 assumed responsibility for withholding under United States tax law.

Whilst the Certificates are in global form and held within Euroclear or Clearstream (together, the “**ICSDs**”), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Certificates by the Trustee, any paying agent and the Common Depository for ICSDs, given that each of the entities in the payment chain between the Trustee and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Certificates. The documentation in respect of the Certificates expressly contemplates the possibility that the Certificates may go into individual form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, individual Certificates will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and Model IGAs, all of which are subject to change or may be implemented

in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Trustee and to payments they may receive in connection with the Certificates.

## CERTAIN ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), impose certain restrictions on: (i) “employee benefit plans” (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA; (ii) “plans” (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code, including individual retirement accounts and Keogh plans (together with (i), “**Plans**”); (iii) persons or entities whose underlying assets include, or are deemed to include under the U.S. Department of Labor (the “**DOL**”) regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (the “**Plan Asset Rules**”), for purposes of Title I of ERISA or Section 4975 of the Code, “plan assets” by reason of a Plan’s investment in such persons or entities (each of (i)-(iii), a “**Benefit Plan Investor**”); and (iv) persons who have certain specified relationships to a Plan, including the Plan’s fiduciaries and other service providers (“**parties in interest**” under ERISA and “**disqualified persons**” under the Code; collectively, “**Parties in Interest**”). ERISA also imposes certain duties on persons who are fiduciaries of Plans that are subject to Title I of ERISA, and Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions between a Plan and Parties in Interest. Violations of these rules may result in the imposition of excise taxes and other penalties and liabilities under ERISA and the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving the assets of a Benefit Plan Investor and Parties in Interest, unless a statutory or administrative exemption is available. Parties in Interest that participate in a non-exempt prohibited transaction may be subject to penalties imposed under ERISA and/or excise taxes imposed pursuant to Section 4975 of the Code, unless a statutory or administrative exemption is available. In addition, the fiduciary of the Benefit Plan Investor that is engaged in such a non-exempt prohibited transaction may be subject to penalties under ERISA and the Code.

“Governmental plans” (as defined in Section 3(32) of ERISA), “church plans” (as defined in Section 3(33) of ERISA) that have made no election under Section 410(d) of the Code, non-U.S. plans (as described in Section 4(b)(4) of ERISA) and other plans that are not Benefit Plan Investors, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, may nevertheless be subject to federal, state, local, non-U.S. or other laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code (“**Similar Law**”). Accordingly, fiduciaries on any such plans should consult with their counsel before purchasing the Certificates (or any interest therein).

The Plan Asset Rules sets out the standards that will apply for determining what constitutes the assets of a Benefit Plan Investor with respect to the Benefit Plan Investor’s investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA, Section 406 of ERISA and Section 4975 of the Code. Under the Plan Asset Rules, if a Benefit Plan Investor invests in an “**equity interest**” of an entity that is neither a “publicly-offered security” nor a security issued by an investment company registered under the Investment Company Act, the Benefit Plan Investor’s assets include both the equity interest and an undivided interest in each of the entity’s underlying assets, unless it is established that the entity is an “operating company” or that equity participation in the entity by Benefit Plan Investors is not “significant”. The Plan Asset Rules generally defines equity participation in an entity by Benefit Plan Investors as “significant” if 25 percent or more of the total value of any class of equity interest in the entity is held by Benefit Plan Investors, excluding any interest held by (i) persons or entities (other than Benefit Plan Investors) that have discretionary authority or control over the assets of the entity, or that provide investment advice with respect to such assets for a fee, directly or indirectly, or (ii) “affiliates” (as defined in paragraph (f)(3) of the Plan Asset Rules) thereof. If the assets of the Trust were deemed to be assets of a Benefit Plan Investor or “plan assets” for purposes of Title I of ERISA or Section 4975 of the Code, the Trustee, and any other party with discretionary control over such assets, would be subject to certain fiduciary obligations under ERISA and certain transactions that the Trust might enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under ERISA or Section 4975 of the Code and might have to be rescinded.

Accordingly, each initial purchaser and subsequent transferee of the Certificates (or any interest therein) and each subsequent transferee will be deemed to have represented, warranted and agreed, by its purchase or holding of Certificates (or any interest therein), that: (A) it is not, and is not acting on behalf of (and for so long as it holds Certificates (or any interest therein) will not be, and will not be acting on behalf of): (i) a Benefit Plan Investor; or (ii) a governmental, church, non-U.S. or other plan that is subject to Similar Law, unless, under this subsection (ii), its acquisition, holding and disposition of the Certificates (or any interest therein) will not constitute or result in a violation of any Similar Law; and (B) it and any person causing it to acquire any of the Certificates (or any interest therein) agrees to indemnify and hold harmless the Trust, the Trustee Administrator, the Trustee, the Obligor, the Delegate, the Agents, the Arrangers and the Dealers and their respective affiliates

from any cost, damage or loss incurred by them as a result of it being or being deemed to be a Benefit Plan Investor or a plan subject to any Similar Law. Each fiduciary of a Similar Law plan should consult with its legal or other advisers concerning the potential consequences to the plan under any applicable Similar Law of an investment in the Certificates (or any interest therein). These Base Listing Particulars are not directed to any particular investor, nor does it address the needs of any particular investor.

## SUBSCRIPTION AND SALE

Certificates may be offered from time to time by the Trustee to any one or more of the Dealers and any additional dealer(s) appointed under the Programme from time to time by the Trustee and the Obligor (the “Dealers”). The arrangements under which Certificates may from time to time be offered by the Trustee to, and purchased by, the Dealers are set out in an amended and restated dealer agreement dated 15 May 2023 (the “Dealer Agreement”) and made between the Trustee, the Obligor, the Arrangers and the Dealers. The Trustee, the Obligor and the Dealers will agree the form and terms and conditions of the relevant Certificates, the price at which such Certificates will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Trustee and the Obligor in respect of such purchase. The Obligor has agreed to indemnify the Dealers against certain liabilities in connection with the offer and the sale of the Certificates. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Certificates.

The Obligor may apply all or part of the proceeds of any of Certificates issued under the Programme in repayment of all or part of any credit facilities that may have been, or may in the future be, extended to the Obligor or its portfolio companies by the Dealers or their affiliates.

### General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Certificates or possesses, distributes or publishes these Base Listing Particulars or any Pricing Supplement or any related offering material, in all cases at its own expense. Other persons into whose hands these Base Listing Particulars or any Pricing Supplement comes are required by the Trustee, the Obligor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Certificates or possess, distribute or publish these Base Listing Particulars or any Pricing Supplement or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out below) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph above.

Selling restrictions may be supplemented or modified with the agreement of the Trustee and the Obligor. Any such supplement or modification may be set out in the Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Certificates) or in a supplement to these Base Listing Particulars.

No representation is made that any action has been or will be taken in any jurisdiction which would, or is intended to, permit a public offering of any Certificates, or possession or distribution of these Base Listing Particulars or any other offering materials or Pricing Supplement in any country or jurisdiction where action for that purpose is required.

### 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) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. 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 and shall not offer and sell Certificates of any Series: (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 in accordance with Rule 903 of Regulation S or Rule 144A under the Securities Act. Accordingly, neither it, nor its affiliates nor any persons acting on its or their behalf have engaged or will

engage in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to the Certificates, and it and they have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act. Each Dealer agrees that at or prior to confirmation of sale of Unrestricted Global 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: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of Certificates of which such Certificates are a part, except in either case in a transaction exempt from or not subject to the registration requirements of the Securities Act to a person that the seller reasonably believes is a “**qualified institutional buyer**” (within the meaning of Rule 144A under the Securities Act) that is also a “**qualified purchaser**” (as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended). Terms used above have the meanings given to them by Regulation S under the Securities Act”.

Terms used in the preceding 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 neither it nor any of its affiliates, nor any person acting on its or their behalf has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Rule 502(c) of Regulation D under the Securities Act) in connection with any offer and sale of the Certificates in the United States.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it is a QIB that is also a QP. Each Dealer may, through its respective U.S. registered broker-dealer affiliates, arrange for the offer and resale of the Certificates in the United States only to QIBs that are also QPs in a transaction not involving any public offering.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has offered and sold and will offer and sell the Certificates in the United States only to persons whom it reasonably believes are QIBs that are also QPs who can represent that: (A) they are QIBs that are also QPs; (B) they are not broker-dealers who own and invest on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers; (C) they are not a participant-directed employee plan, such as a 401(k) plan; (D) they are acting for their own account, or the account of one or more QIBs, each of which is a QP; (E) they are not formed for the purpose of investing in the Trustee; (F) each account for which they are purchasing will hold and transfer at least U.S.\$200,000 in face amount of Certificates at any time; (G) they understand that the Trustee may receive a list of participants holding positions in its securities from one or more book-entry depositories; and (H) they will provide notice of the transfer restrictions set forth in these Base Listing Particulars to any subsequent transferees.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it, nor any of its affiliates nor any person acting on its or their behalf has entered into and will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution or delivery of Certificates, except with its affiliates or with the prior written consent of the Trustee and the Obligor.

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 of such Tranche of Certificates) 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.

To the extent that the Trustee is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Trustee has agreed to furnish to holders of Certificates and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

## Canada

The Certificates may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Certificates must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if these Base Listing Particulars (including any amendment thereto) or any applicable Pricing Supplement contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

If applicable, pursuant to section 3A.3 of NI 33-105 or Ontario Instrument 33-507 *Exemption from Underwriting Conflicts Disclosure Requirements*, the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with any offering of Certificates under the Programme.

### Prohibition of sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Certificates specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", 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, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering contemplated by these Base Listing Particulars as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression an "**offer**" includes 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.

If the Pricing Supplement in respect of any Certificates specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Member State**"), 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 these Base Listing Particulars as completed by the Pricing Supplement 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:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (b) 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 or Dealers nominated by the Trustee and the Obligor for any such offer; or
- (c) 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 in (a) to (c) 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 of Certificates to the public**” 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 for the Certificates and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129, as amended.

## **United Kingdom**

### ***Prohibition of sales to UK Retail Investors***

Unless the Pricing Supplement in respect of any Certificates specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, 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, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering contemplated by these Base Listing Particulars as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an “**offer**” includes 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.

If the Pricing Supplement in respect of any Certificates specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, 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 these Base Listing Particulars as completed by the Pricing Supplement 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:

- (a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (b) 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 or Dealers nominated by the Trustee and the Obligor for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

*provided that* no such offer of Certificates referred to in (a) to (c) 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 of Certificates to the public**” in relation to any Certificates 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 and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.



### ***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:

- (a) in relation to any Certificates which have a maturity of less than one year, (i) 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 (ii) 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 or the Obligor;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Trustee or the Obligor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

### **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 CMA pursuant to resolution number 3-123-2017 dated 9/4/1439H (corresponding to 27 December 2017), as amended by the board of the CMA resolution number 8-5-2023 dated 25/6/1444H (corresponding to 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 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 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 therefore not 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.

### **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, sold or delivered, and will not offer, sell or deliver at any time, directly or indirectly, any Certificates in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre). These Base Listing Particulars (i) have 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); (ii) are intended for the original recipient only and must not be provided to any other person; and (iii) are 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.

## **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 as marketing to persons in Bahrain who are “accredited investors” for an offer outside Bahrain.

For this purpose, an “accredited investor” means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more excluding that person’s principal place of residence; or
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

## **United Arab Emirates (excluding the ADGM and the DIFC)**

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 United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

## **Abu Dhabi Global Market**

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 be issued under the Programme to any person in the ADGM unless such offer is:

- (a) an “Exempt Offer” in accordance with the Market Rules (MKT) Module of the Financial Services Regulatory Authority (the “FSRA”) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Module of the FSRA rulebook.

## **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 be issued under the Programme to any person in the DIFC unless such offer is:

- (a) an “Exempt Offer” in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the “DFSA”) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business (COB) Module of the DFSA rulebook.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that these Base Listing Particulars have 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, these Base Listing Particulars 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: (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; (b) 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 and (where

applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore; or  
(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Where the Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (or securities-based derivatives contracts, each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Certificates pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or
- (b) where no consideration is or will be given for the transfer; or
- (c) where the transfer is by operation of law; or
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures Act (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

### **Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMPO)") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) it has not issued or had in its possession for the purposes of issue, in each case, 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 in 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.

### **Japan**

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Certificates, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

**Malaysia**

These Base Listing Particulars have not been registered as a prospectus with the Securities Commission of Malaysia under the CMSA. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates have not been and will not be offered, sold or delivered, 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 1 of Schedule 6 or Section 229(1)(b) and Part 1 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.

**Cayman Islands**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no invitation or offer, whether directly or indirectly, to subscribe for the Certificates has been or will be made to the public in the Cayman Islands.

## TRANSFER RESTRICTIONS

### Transfer Restrictions

***As a result of the following restrictions, purchasers of Certificates in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Certificates.***

Each purchaser of Certificates (other than a person purchasing an interest in a Global Certificate with a view to holding it in the form of an interest in the same Global Certificate) or person wishing to transfer an interest from one Global Certificate to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Global Certificate with a view to holding it in the form of an interest in the same Global Certificate will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is a QIB that is also a QP, purchasing (or holding) the Certificates for its own account or for the account of one or more QIBs that are also QPs in a minimum face amount, in each case, of U.S.\$200,000 (or the equivalent amount in a foreign currency) and it is aware that any sale to it is being made in reliance on Rule 144A; or (b) it is outside the United States and is not a U.S. person;
- (ii) that it is not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25,000,000 in securities of unaffiliated issuers;
- (iii) that it is not a participant-directed employee plan, such as a 401(k) plan, or a trust holding the assets of such a plan;
- (iv) that it is not formed, reformed or recapitalized for the purpose of investing in the Trustee, unless all of the beneficial owners of its securities are both QIBs and QPs;
- (v) that it has not invested more than 40 per cent. of its assets in the Certificates (or beneficial interests therein) and/or other securities of the Trustee after giving effect to the purchase of the Certificates (or beneficial interests therein), unless all of the beneficial owners of its securities are both QIBs and QPs;
- (vi) that if it is an investment company excepted from the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a QP in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules promulgated thereunder;
- (vii) that it is not a partnership, common trust fund, or corporation, special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investment to be made, or the allocation thereof, unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both QIBs and QPs;
- (viii) that it, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of the Certificates;
- (ix) that it understands that the Trustee may receive a list of participants holding positions in its securities from one or more book-entry depositories;
- (x) that the Certificates are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Certificates and the Master Trust Deed have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and, accordingly, the Certificates may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except as set forth below;
- (xi) that, unless it holds an interest in an Unrestricted Global Certificate and is a non-U.S. person located outside the United States, if in the future it decides to resell, pledge or otherwise transfer the Certificates or any ownership interest in the Certificates, it will do so prior to the expiration of the applicable required holding period determined pursuant to Rule 144 of the Securities Act: (a) to the Trustee or any affiliate thereof; (b) inside the United States to a person whom the seller reasonably believes is a QIB that is also

a QP purchasing for its own account or for the account of a QIB that is also a QP in a transaction meeting the requirements of Rule 144A; (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act; (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or any other available exemption from the registration requirement of the Securities Act; or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

- (xii) it will, and will require each subsequent holder to, notify any purchaser or transferee, as applicable, of the Certificates from it of the resale and transfer restrictions referred to in paragraph (vii) above, if then applicable;
- (xiii) that Certificates initially offered in the United States to QIBs that are also QPs will be represented by one or more Restricted Global Certificates, and that Certificates offered outside the United States in reliance on Regulation S will be represented by one or more Unrestricted Global Certificates;
- (xiv) that it understands that the Trustee has the power to compel any beneficial owner of Certificates represented by a Restricted Global Certificate that is a U.S. person and is not a QIB that is also a QP to sell its interest in such Certificates, or may sell such interest on behalf of such owner. The Trustee has the right to refuse to honour the transfer of an interest in any Restricted Global Certificate to a U.S. person who is not a QIB that is also a QP. Any purported transfer of an interest in a Restricted Global Certificate to a purchaser that does not comply with the requirements of the transfer restrictions herein will be of no force and effect and will be void *ab initio*;
- (xv) that (a) it is not and is not acting on behalf of: (i) a Plan, or (ii) a governmental, church or non-U.S. plan or entity whose underlying assets are deemed to include the assets of any such plan, unless, under this subsection (ii), the purchase and holding of the Certificate would not result in a violation of any Similar Law or subject the Trust or any transaction thereby to any such Similar Law and (b) it will not sell or otherwise transfer any Certificates or interest to any person unless the same foregoing representations and warranties apply to that person;
- (xvi) that the Certificates in registered form, other than the Unrestricted Global Certificates, will bear a legend to the following effect unless otherwise agreed to by the Trustee:

“THIS SECURITY HAS NOT BEEN NOR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS, NEITHER THE TRUSTEE NOR THE OBLIGOR HAS REGISTERED OR INTENDS TO REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “**INVESTMENT COMPANY ACT**”), AND, ACCORDINGLY, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER: (A) REPRESENTS THAT IT IS A “**QUALIFIED INSTITUTIONAL BUYER**” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A “**QIB**”) THAT IS ALSO A QUALIFIED PURCHASER WITHIN THE MEANING OF SECTION 2(a)(51)(A) OF THE INVESTMENT COMPANY ACT (A “**QP**”), PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIBS THAT ARE QPS IN A MINIMUM FACE AMOUNT, IN EACH CASE, OF U.S.\$200,000 (OR THE EQUIVALENT AMOUNT IN A FOREIGN CURRENCY); (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO EXPIRATION OF THE APPLICABLE REQUIRED HOLDING PERIOD DETERMINED PURSUANT TO RULE 144 OF THE SECURITIES ACT FROM THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE TRUSTEE OR AN AFFILIATE OF THE TRUSTEE WAS THE OWNER OF SUCH SECURITIES OTHER THAN: (1) TO THE TRUSTEE OR ANY AFFILIATE THEREOF; (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT THAT IS ALSO A QP PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB THAT IS ALSO A QP IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A; (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT; (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (“**RULE 144**”) (IF AVAILABLE); OR (5) PURSUANT TO AN

EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR REALES OF THE SECURITY.

ANY RESALE OR OTHER TRANSFER OF THIS SECURITY (OR BENEFICIAL INTEREST HEREIN) WHICH IS NOT MADE IN COMPLIANCE WITH THE RESTRICTIONS SET FORTH HEREIN WILL BE OF NO FORCE AND EFFECT, WILL BE NULL AND VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE TRUSTEE OR ANY OF ITS AGENTS. IN ADDITION TO THE FOREGOING, IN THE EVENT OF A TRANSFER OF THIS SECURITY (OR BENEFICIAL INTEREST HEREIN) TO A U.S. PERSON WITHIN THE MEANING OF REGULATION S THAT IS NOT A QIB THAT IS ALSO A QP, THE TRUSTEE MAY: (A) COMPEL SUCH TRANSFEREE TO SELL THIS SECURITY OR ITS INTEREST HEREIN TO A PERSON WHO: (I) IS A U.S. PERSON WHO IS A QIB THAT IS ALSO A QP THAT IS OTHERWISE QUALIFIED TO PURCHASE THIS SECURITY OR INTEREST HEREIN IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT; OR (II) IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S; OR (B) COMPEL SUCH TRANSFEREE TO SELL THIS SECURITY OR ITS INTEREST HEREIN TO A PERSON DESIGNATED BY OR ACCEPTABLE TO THE TRUSTEE AT A PRICE EQUAL TO THE LESSER OF: (X) THE PURCHASE PRICE THEREFOR PAID BY THE ORIGINAL TRANSFEREE; (Y) 100 PER CENT. OF THE FACE AMOUNT THEREOF; OR (Z) THE FAIR MARKET VALUE THEREOF. THE TRUSTEE HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF THIS SECURITY OR INTEREST HEREIN TO A U.S. PERSON WHO IS NOT A QIB THAT IS ALSO A QP. EACH TRANSFEROR OF THIS SECURITY WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE AGENCY AGREEMENT TO ITS TRANSFEREE. NEITHER THE TRUSTEE NOR THE OBLIGOR HAS REGISTERED AND NONE OF THEM INTENDS TO REGISTER UNDER THE INVESTMENT COMPANY ACT.

BY ACCEPTING THIS CERTIFICATE (OR ANY INTEREST HEREIN) EACH BENEFICIAL OWNER HEREOF, AND EACH FIDUCIARY ACTING ON BEHALF OF THE BENEFICIAL OWNER (BOTH IN ITS INDIVIDUAL AND CORPORATE CAPACITY), WILL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT: (A) IT IS NOT, AND IT IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THIS CERTIFICATE (OR ANY INTEREST HEREIN) WILL NOT BE, AND WILL NOT BE ACTING ON BEHALF OF): (I) AN "EMPLOYEE BENEFIT PLAN" (AS DEFINED IN SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, (II) A "PLAN" (AS DEFINED IN SECTION 4975(e)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED ("**CODE**")), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, OR (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE, OR ARE DEEMED TO INCLUDE UNDER THE U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, FOR PURPOSES OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE, "PLAN ASSETS" BY REASON OF AN EMPLOYEE BENEFIT PLAN'S OR PLAN'S INVESTMENT IN THE PERSON OR ENTITY (EACH OF (I)-(III), A "**BENEFIT PLAN INVESTOR**"), OR (IV) A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("**SIMILAR LAW**"), UNLESS, UNDER THIS SUBSECTION (IV), ITS ACQUISITION, HOLDING AND DISPOSITION OF THIS CERTIFICATE (OR ANY INTEREST HEREIN) DOES NOT AND WILL NOT CONSTITUTE OR RESULT IN A VIOLATION OF ANY SIMILAR LAW; AND (B) IT AND ANY PERSON CAUSING IT TO ACQUIRE THIS CERTIFICATE (OR ANY INTEREST HEREIN) SHALL INDEMNIFY AND HOLD HARMLESS THE TRUST, THE TRUSTEE ADMINISTRATOR, THE TRUSTEE, THE OBLIGOR, THE ARRANGERS, THE DEALERS, THE DELEGATE, THE AGENTS AND THEIR RESPECTIVE AFFILIATES FROM ANY COST, DAMAGE OR LOSS INCURRED BY THEM AS A RESULT OF

IT BEING OR BEING DEEMED TO BE A BENEFIT PLAN INVESTOR OR A PLAN SUBJECT TO ANY SIMILAR LAW. NO PURCHASE BY OR TRANSFER TO A BENEFIT PLAN INVESTOR OF THIS CERTIFICATE (OR ANY INTEREST HEREIN) WILL BE EFFECTIVE, AND NEITHER THE TRUSTEE NOR THE DELEGATE WILL RECOGNISE ANY SUCH ACQUISITION OR TRANSFER.

THE TRUSTEE MAY COMPEL EACH BENEFICIAL HOLDER HEREOF TO CERTIFY PERIODICALLY THAT SUCH OWNER IS A QIB THAT IS ALSO A QP.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE TRANSACTION DOCUMENTS REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”;

- (xvii) that the Certificates in registered form which are registered in the name of a nominee of DTC will bear an additional legend to the following effect unless otherwise agreed to by the Trustee:

“UNLESS THIS GLOBAL CERTIFICATE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION, (“DTC”), TO THE TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY REGISTERED CERTIFICATE ISSUED IN EXCHANGE FOR THIS GLOBAL CERTIFICATE OR ANY PORTION HEREOF IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUIRED BY AN AUTHORISED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS GLOBAL SECURITY MAY NOT BE EXCHANGED, IN WHOLE OR IN PART, FOR A SECURITY REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY TRUST COMPANY OR A NOMINEE THEREOF EXCEPT IN THE LIMITED CIRCUMSTANCES SET FORTH IN THIS GLOBAL SECURITY, AND MAY NOT BE TRANSFERRED, IN WHOLE OR IN PART, EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THIS LEGEND. BENEFICIAL INTERESTS IN THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT IN ACCORDANCE WITH THIS LEGEND.”;

- (xviii) if it holds an interest in an Unrestricted Global Certificate, that if it should resell or otherwise transfer the Certificates prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Certificates of the Tranche of which it forms part), it will do so only: (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act; or (ii) to a QIB that is also a QP in compliance with Rule 144A; and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Unrestricted Global Certificates will bear a legend to the following effect unless otherwise agreed to by the Trustee:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND



PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE CERTIFICATES OF THE TRANCHE OF WHICH THIS CERTIFICATE FORMS PART.”; and

- (xix) that the Trustee, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Trustee; and if it is acquiring any Certificates as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Please see “*Form of the Certificates*”.

No sale of Legended Certificates in the United States to any one purchaser will be for less than U.S.\$200,000 (or the equivalent amount in a foreign currency) face amount and no Legended Certificate will be issued in connection with such a sale in a smaller face amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 (or the equivalent amount in a foreign currency) in face amount of Certificates.

## CLEARING AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear and/or Clearstream (together, the “**Clearing Systems**”) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Trustee, the Obligor nor any other party to the Transaction Documents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Certificates held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The information in this section concerning the Clearing Systems has been obtained from sources that the Trustee and the Obligor believe to be reliable, but neither the Trustee, the Obligor nor any Agent or Dealer takes any responsibility for the accuracy thereof. The Trustee and the Obligor confirm that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

### **DTC Book-Entry System**

Certificates whether as part of the initial distribution of the Certificates or in the secondary market, are eligible to be held in book-entry form in DTC.

DTC has advised the Trustee and the Obligor that it is a limited purpose trust company organised under the New York Banking Law, a “banking organisation” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (“**Participants**”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants (“**Direct Participants**”) include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “**DTC Rules**”), DTC makes book-entry transfers of Certificates among Direct Participants on whose behalf it acts with respect to Certificates accepted into DTC’s book-entry settlement system (“**DTC Certificates**”) as described below, and receives and transmits distributions of principal and interest on DTC Certificates. The DTC Rules are on file with the SEC. Direct Participants and Indirect Participants with which beneficial owners of DTC Certificates (“**Owners**”) have accounts with respect to the DTC Certificates similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Certificates through Direct Participants or Indirect Participants will not possess Certificates, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest with respect to the DTC Certificates.

Purchases of DTC Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Certificates on DTC’s records. The ownership interest of each actual purchaser of each DTC Certificate (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Certificates, except in the event that use of the book-entry system for the DTC Certificates is discontinued.

To facilitate subsequent transfers, all DTC Certificates deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of DTC Certificates with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Certificates; DTC’s records reflect only the identity of the Direct Participants to

whose accounts such DTC Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Certificates. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and profit payments on the DTC Certificates will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and profit to DTC is the responsibility of the Trustee, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, DTC will exchange the DTC Certificates for Individual Certificates, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Restricted Global Certificate, will be legended as set forth under "*Transfer Restrictions*".

#### **Book-entry Ownership of and Payments in respect of DTC Certificates**

The Trustee may apply to DTC in order to have each Tranche of Certificates represented by the Restricted Global Certificate, and if applicable, the Unrestricted Global Certificate, accepted in its book-entry settlement system. Upon the issue of any Global Certificates, DTC or its custodian will credit, on its internal book-entry system, the respective face amounts of the individual beneficial interests represented by such Global Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer.

Ownership of beneficial interests in a Global Certificate will be limited to Direct Participants or Indirect Participants. Ownership of beneficial interests in a Global Certificate will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and profit in respect of a Global Certificate registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Certificate. In the case of any payment in a currency other than U.S. dollars, payment will be made to the relevant Paying Agent on behalf of DTC's nominee and the relevant Paying Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Global Certificate in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Trustee expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Trustee also expects that payments by Participants to beneficial owners of Certificates will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Paying Agents, the Registrars, the Delegate or the Trustee. Payments of principal, premium, if any, and profit, if any, on Certificates to DTC are the responsibility of the Trustee.

## **Euroclear and Clearstream**

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system. Investors may hold their interests in Global Certificates directly through Euroclear or Clearstream if they are accountholders or indirectly through organisation which are accountholders therein.

## **Transfers of Certificates Represented by Global Certificates**

Transfers of any interests in Certificates represented by a Global Certificate will be effected in accordance with the customary rules and operating procedures of Euroclear, Clearstream and/or DTC, as the case may be. The laws of some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Certificates represented by a Global Certificate to such persons may depend upon the ability to exchange such Certificates for Individual Certificates. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a Person having an interest in Certificates represented by a Global Certificate held by DTC to pledge such Certificates to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Certificates may depend upon the ability to exchange such Certificates for Certificates in definitive form. The ability of any holder of Certificates represented by a Global Certificate held by DTC to resell, pledge or otherwise transfer such Certificates may be impaired if the proposed transferee of such Certificates is not eligible to hold such Certificates through a direct or indirect participant in the DTC system.

Transfers at any time by a holder of a book-entry interest in a Restricted Global Certificate to a transferee who takes delivery of such book-entry interest through an Unrestricted Global Certificate for the same Series of Certificates will only be made upon delivery to the relevant Registrar of a certificate setting forth compliance with the provisions of Regulation S. Prior to the expiration of the distribution compliance period (as defined in Regulation S), ownership of book-entry interests in an Unrestricted Global Certificate will be limited to persons that have accounts with Euroclear, Clearstream and/or DTC, as the case may be, or persons who hold such book-entry interest through Euroclear, Clearstream and/or DTC, as the case may be, and any sale or transfer of such book-entry interest to a U.S. Person (within the meaning of Regulation S) shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A. Transfers at any time by a holder of a book-entry interest in an Unrestricted Global Certificate to a transferee who takes delivery of such book-entry interest through a Restricted Global Certificate for the same Series of Certificates will only be made upon receipt by the relevant Registrar or the relevant Transfer Agent of a written certificate from the transferor of such book-entry interest to the effect that such transfer is being made to a person whom such transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under “*Transfer Restrictions*” and in accordance with any applicable securities laws of any state of the United States.

Subject to compliance with the transfer restrictions applicable to the Registered Certificates described under “*Transfer Restrictions*”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrars, the Delegate and/or the Paying Agents, as the case may be, and any custodian with whom the relevant Global Certificates have been deposited.

On or after the relevant issue date for any Series, transfers of Certificates of such Series between accountholders in Euroclear or Clearstream and transfers of Certificates of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in DTC and Euroclear or Clearstream participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC,

on the one hand, and Euroclear or Clearstream on the other, transfers of interests in the relevant Global Certificates will be effected through the relevant Registrar and/or the relevant Transfer Agent, as the case may be, and the custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payments must be made separately.

Euroclear, Clearstream and DTC have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Certificates among participants and accountholders of Euroclear, Clearstream and DTC. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Trustee, the Obligor, the Delegate, the Agents or any Dealer(s) will be responsible for any performance by Euroclear, Clearstream and DTC or its respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Certificates represented by Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

## GENERAL INFORMATION

### Authorisation

Each of the Trustee and the Obligor has obtained all necessary consents, approvals and authorisations in connection with the update of the Programme.

The establishment of the Programme was duly authorised by a resolution of the board of directors of the Trustee dated 24 March 2021. The update of the Programme and the issuance of Certificates thereunder was duly authorised by a resolution adopted at a meeting of the board of directors of the Trustee held on 9 May 2023.

The establishment of the Programme was duly authorised by a resolution of the board of directors of the Obligor dated 9 March 2021 and a resolution of the sole shareholder of the Obligor dated 16 March 2021. The update of the Programme and the issuance of Certificates thereunder was duly authorised by a resolution of the board of directors of the Obligor dated 17 April 2023 and a resolution of the sole shareholder of the Obligor dated 18 April 2023.

Each of the Trustee and the Obligor will obtain, from time to time, all necessary consents, approvals and authorisations in connection with the issue and performance of the Certificates.

### Approval, Listing and Admission to Trading of Certificates

It is expected that each Tranche of Certificates which is to be admitted to the Official List and to trading on the Global Exchange Market will be admitted separately as and when issued, subject only to the issue of a Global Certificate or Certificates initially representing the Certificates of such Tranche.

Application has been made to Euronext Dublin for Certificates issued under the Programme to be admitted to the Official List and admitted to trading on the Global Exchange Market. The Global Exchange Market is not a regulated market for the purposes of MiFID II. The approval of the Programme in respect of Certificates is expected to be granted on or around 15 May 2023. Unlisted Certificates may be issued pursuant to the Programme.

### Listing Agent

Matheson is acting solely in its capacity as listing agent for the Trustee in connection with the Programme and the issue of Certificates under the Programme and is not itself seeking admission of the Certificates to the Official List or to trading on the Global Exchange Market.

### Legal and Arbitration Proceedings

The Trustee is not, nor has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee is aware) in the 12 months preceding the date of these Base Listing Particulars which may have or have in such period had a significant effect on the financial position or profitability of the Trustee.

Neither the Obligor nor any other member of the Group is, or has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Obligor is aware) in the 12 months preceding the date of these Base Listing Particulars which may have or have in such period had a significant effect on the financial position or profitability of the Obligor or the Group.

### Material Contracts

There are no material contracts entered into other than in the ordinary course of the Trustee's business, which could result in the Trustee being under an obligation or entitlement that is material to the Trustee's ability to meet its obligations to holders in respect of Certificates to be issued under the Programme.

There are no material contracts entered into other than in the ordinary course of the Obligor's or the Group's business, which could result in the Obligor or any member of the Group being under an obligation or entitlement that is material to the Obligor's ability to meet its obligations under the Transaction Documents to which it is a party.

### Auditors

The Obligor's appointed auditors are PwC.

The 2022 Financial Statements and the 2021 Financial Statements incorporated by reference in these Base Listing Particulars have each been audited by PwC in accordance with International Standards on Auditing, as stated in their independent audit report. The business address of PwC is Floor 47, West Tower, Bahrain Financial Harbour, Office no. 4701, Building no. 1459, Road no. 4626, Block no. 346, P.O. Box 60771, Manama/Sea Front, Kingdom of Bahrain. PwC is regulated in Bahrain by the Ministry of Industry and Commerce and is a registered auditor licensed to act as an auditor in Bahrain by the Ministry of Industry and Commerce. PwC is a member of the Bahrain Accountants Association.

### **Significant or Material Change**

There has been no significant change in the financial or trading position of the Trustee and there has been no material adverse change in the prospects of the Trustee, in each case, since 31 December 2022.

There has been no significant change in the financial or trading position of the Obligor or the Group and there has been no material adverse change in the prospects of the Obligor or the Group, in each case, since 31 December 2022.

### **Documents on Display**

For as long as the Certificates issued under the Programme are listed on the Official List and admitted to trading on the Global Exchange Market, copies of the following documents in electronic form may be inspected during normal business hours at the specified offices of the Principal Paying Agent:

- (i) the constitutional documents of each of the Trustee and the Obligor;
- (ii) the Financial Statements;
- (iii) the Transaction Documents;
- (iv) these Base Listing Particulars and any other documents incorporated herein; and
- (v) any future supplements and any Pricing Supplement to these Base Listing Particulars (save that Pricing Supplement relating to an unlisted Certificate will only be available for inspection by a Holder of such Certificate and such Holder must produce evidence satisfactory to the Principal Paying Agent as to the identity of such Holder).

These Base Listing Particulars and the Pricing Supplement for Certificates that are listed on the Official List and admitted to trading on the Global Exchange Market will also be available for viewing in electronic form on the website of Euronext Dublin at: <https://www.euronext.com/en/markets/dublin>.

### **Clearing Systems**

The Certificates have been accepted for clearance through DTC, Euroclear and Clearstream. The appropriate common code, International Securities Identification Number (ISIN) and/or the Committee on Uniform Security Identification Procedures (CUSIP) Number in relation to the Certificates of each Tranche will be specified in the applicable Pricing Supplement. The applicable Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Certificates for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels. The address of Clearstream is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

### **Legal Entity Identifier**

The LEI code of the Trustee is 54930062R6OFRHBRAI29.

The LEI code of the Obligor is 549300OBH16L6TS6IW50.

### **Obligor Website**

The Obligor's website is <https://www.nogaholding.com/>. Unless specifically incorporated by reference into these Base Listing Particulars, information contained on this website does not form part of these Base Listing Particulars.

### **Conditions for determining price**

The price and amount of Certificates to be issued under the Programme will be determined at the time of issue in accordance with prevailing market conditions.

### **Dealers transacting with the Trustee and 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 Trustee or the Obligor in the ordinary course of business for which they may receive fees. They have received, or may in the future receive, customary fees and commission for these transactions.

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 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 Trustee or the Obligor or either of their agencies. Certain of the Dealers or their affiliates have a lending relationship with the Trustee and/or the Obligor, and of those that do, they may hedge their credit exposure to the Trustee and/or the Obligor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions, which consist of either the purchase of credit default swaps or the creation of short positions in 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.



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