

## IMPORTANT NOTICE

**THIS BASE PROSPECTUS MAY ONLY BE DISTRIBUTED TO PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (AS DEFINED BELOW)) OUTSIDE OF THE UNITED STATES.**

No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Base Prospectus or the merits of the Trust Certificates described herein and any representation to the contrary is an offence.

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

**Restrictions:** UNDER NO CIRCUMSTANCES SHALL THE ATTACHED DOCUMENT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL. ANY SECURITIES TO BE ISSUED 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, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE ATTACHED DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE DEALERS (AS DEFINED BELOW) AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT 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.

UNDER NO CIRCUMSTANCES SHALL THIS DOCUMENT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL.

THIS DOCUMENT IS NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM. RATHER, THE COMMUNICATION OF THIS DOCUMENT AS A FINANCIAL PROMOTION IS ONLY BEING MADE TO THOSE PERSONS FALLING WITHIN ARTICLE 19(5) OR ARTICLE 49 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, OR TO OTHER PERSONS TO WHOM THIS DOCUMENT MAY OTHERWISE BE DISTRIBUTED WITHOUT CONTRAVENTION OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, OR ANY PERSON TO WHOM IT MAY OTHERWISE LAWFULLY BE MADE. 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.

For a description of certain restrictions on offers, sales and deliveries of the trust certificates described in the document and on the distribution of offering material in the United States, the European Economic Area, the United Kingdom, the United Arab Emirates (excluding the DIFC), the DIFC, the Kingdom of Saudi Arabia, Jersey, Luxembourg, Hong Kong, Singapore, Qatar (including the Qatar Financial Centre), Bahrain and Taiwan, the Republic of China (**ROC**), see "*Subscription and Sale*" in the attached document.

Confirmation of your representation: The attached document is delivered to you at your request and on the basis that you have confirmed to CIMB Bank Berhad, Labuan Offshore Branch, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, First Abu Dhabi Bank PJSC, HSBC Bank plc, J.P. Morgan Securities plc, Natixis, Société Générale and Standard Chartered Bank (together, the **Dealers**), the Islamic Development Bank (the **IsDB**), IDB Trust Services Limited and IsDB Trust Services No.2 SARL (IDB Trust Services Limited and IsDB Trust Services No.2 SARL each being an **Issuer** and together, the **Issuers**) that (i) you are located outside the United States of America and are not a U.S. person, or acting for the account or benefit of any U.S. person; (ii) you consent to delivery by electronic transmission; (iii) you will not transmit the attached document (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 prior written consent of the Dealers; and (iv) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the trust certificates.

This document has been made available 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 IsDB, the Issuers, the Dealers nor any person who controls or is a director, officer, employee or agent of the IsDB, the Issuers, the Dealers nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing this document, you consent to receiving it in electronic form. A hard copy of the document will be made available to you only upon request to the Dealers.

You are reminded that the attached document has been delivered to you on the basis that you are a person into whose possession this document 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 this document, electronically or otherwise, to any other person. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

None of the Dealers or any of their respective affiliates accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with the IsDB, the Issuer or the offer or any responsibility for any acts or omissions of the Issuers, IsDB or any other person (other than the relevant Dealer) in connection with the attached document or the issue and offering of trust certificates. The Dealers and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Dealers or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document.

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

Recipients of the attached document who intend to subscribe for or purchase any securities to be issued are reminded that any subscription or purchase may only be made on the basis of the information contained in the final version of the attached document.

If you received this document 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 the email software, will be ignored or rejected. Your receipt of the electronic transmission 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.

Canadian investors are advised that the information contained within the Base Prospectus has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within the Base Prospectus and as to the suitability of an investment in the Trust Certificates in their particular circumstances.

## BASE PROSPECTUS

### IDB TRUST SERVICES LIMITED

(a limited par value company incorporated in Jersey with registered number 89541)

and

### ISDB TRUST SERVICES NO.2 SARL

(a private limited liability company (société à responsabilité limitée) incorporated under the laws of the Grand-Duchy of Luxembourg with its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg and registered with the Luxembourg trade and companies register (Registre de commerce et des sociétés, Luxembourg) under number B247570)

**U.S.\$25,000,000,000**

### Trust Certificate Issuance Programme

with, *inter alia*, the benefit of a Guarantee (in respect of the payment obligations arising under the Portfolio of the relevant Series of Trust Certificates) provided by



### THE ISLAMIC DEVELOPMENT BANK

(an international organisation that derives its legal personality from public international law)

Under the trust certificate issuance programme described in this base prospectus (the **Base Prospectus**) (the **Programme**), IDB Trust Services Limited and IsDB Trust Services No.2 SARL (each in its capacity as issuer and as trustee, each an **Issuer** and a **Trustee**, and together, the **Issuers** and the **Trustees**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue trust certificates (the **Trust Certificates**) in series (each a **Series**), which may comprise one or more tranches (each a **Tranche**), in any currency as agreed between the Issuer and the relevant Dealers (as defined below). The aggregate face amount of the Trust Certificates outstanding will not at any time exceed U.S.\$25,000,000,000 (or its equivalent in other currencies).

Each Series of Trust Certificates will be constituted by: (i) an amended and restated master trust deed (the **Master Trust Deed**) dated 19 April 2022 (the **Programme Date**) entered into between the Trustees, The Islamic Development Bank (the **IsDB**) and The Law Debenture Trust Corporation p.l.c. acting as delegate of, and attorney for, the Trustees (the **Delegate**); and (ii) a corresponding supplemental trust deed (**Supplemental Trust Deed** and, together with the Master Trust Deed, the **Trust Deed**) in relation to each Tranche of Trust Certificates issued. Trust Certificates of each Series confer on the holders of the Trust Certificates from time to time (the **Certificateholders**) an undivided beneficial ownership interest in, and consequently the right to receive certain payments, on a *pro rata* basis (according to the face amount of Trust Certificates held by them) arising from, the assets of a trust declared by the relevant Trustee in relation to the relevant Series (the **Trust**) over, *inter alia*, a portfolio of assets created by the IsDB which shall be separate and independent from all other assets of the IsDB and shall comprise of: (a) at least 51 per cent. tangible assets comprising of Leased Assets (as defined below), Disbursing Istisna'a Assets (as defined below), Shari'a compliant equity instruments (and the assets underlying those equity instruments) (**Shares**), sukuk certificates (and the assets underlying those sukuk certificates) (**Sukuk**) and/or Restricted Mudaraba Assets (as defined below); and (b) no more than 49 per cent. intangible assets comprising of Istisna'a Receivables (as defined below), Loan (Qard) Receivables (as defined below), Commodity Murabaha (Tawarruq) Receivables (as defined below) and/or Murabaha Receivables (as defined below), including, without limitation, the right to receive payment of any amounts due in connection with such assets, the right to demand, sue for, recover, receive and give

receipts for all amounts payable, or to become payable, under the assets and/or agreements relating to the assets and the benefit of, and the right to sue on, all covenants in favour of the IsDB and the right to exercise all powers of the IsDB thereunder, such portfolio being constituted by an Initial Portfolio and any Additional Portfolio and supplemented from time to time with Additional Portfolio Assets (each as defined below) (the **Portfolio** which, together with any other assets in the relevant Trust, constitute the **Trust Assets**).

Each Trustee will have the benefit of a Guarantee (as defined in the Terms and Conditions (as defined herein)) from the IsDB (the **Guarantor**) to support timely payments of profit distributions under each Series of Trust Certificates. In addition, the Trustees will have the benefit of a purchase undertaking from the IsDB, and the IsDB will have the benefit of a sale undertaking from the Trustees, pursuant to which the IsDB may purchase the relevant Portfolio in relation to each Series of Trust Certificates upon the maturity or early dissolution of the relevant Series. Subject to the information provided herein, recourse in respect of the Trust Certificates is ultimately dependent on the performance by the IsDB pursuant, *inter alia*, to such Guarantee and the purchase undertaking or sale undertakings (as applicable).

Certificateholders are entitled to receive Periodic Distribution Amounts (as defined in the Terms and Conditions as defined herein) calculated on the basis specified in the final terms relating to the relevant Tranche of Trust Certificates (the **Final Terms**) or in respect of Exempt Certificates (as defined below), a pricing supplement relating to the relevant Tranche of Trust Certificates (the **Pricing Supplement**). The payment of Periodic Distribution Amounts to Certificateholders will primarily depend upon the receipt by the relevant Trustee from the IsDB of all amounts due in respect of the Portfolio of the relevant Series of Trust Certificates (except Exempt Certificates) comprising profit and the performance by the IsDB of its obligations under the Programme Documents and the Transaction Documents (as defined herein).

This Base Prospectus has been approved by the Central Bank of Ireland (the **CBI**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The CBI only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of any Issuer or the IsDB nor as an endorsement of the quality of the Trust Certificates that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Trust Certificates. Such approval relates only to Trust Certificates which are to be admitted to trading on a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended, **MiFID II**) II and/or which are to be offered to the public in any Member State of the European Economic Area (**EEA**). Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin (**Euronext Dublin**) for such Trust Certificates (other than Exempt Certificates (as defined below)) to be admitted to its official list (**Official List**) and to trading on its regulated market (the **Market**). The Market is a regulated market (a **Regulated Market**) for the purposes of MiFID II. Investors should make their own assessment as to the suitability of investing in such Trust Certificates. This Base Prospectus is valid for a period of twelve months from the date of approval. The Issuers and IsDB will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of the Trust Certificates, prepare a supplement to this Base Prospectus. The obligation to prepare a supplement to this Base Prospectus in the event of any significant new factor, material mistake or material inaccuracy does not apply when the Base Prospectus is no longer valid. Applications have been made for such Trust Certificates to be admitted during the period of twelve months after the date hereof to listing on the official list and to trading on the regulated market of Euronext Dublin.

Each of the Issuers and the IsDB is an "Exempt Offeror" for the purposes of Article 13(1) of the DIFC Markets Law 2012 (the **Markets Law 2012**). Accordingly, each Issuer is exempt from the requirement to produce a Prospectus under Article 14 of the Markets Law 2012 and this Base Prospectus has not been approved by the Dubai Financial Services Authority (the **DFSA**) for the purposes of the Markets Law 2012. Application has also been made to the DFSA and to Nasdaq Dubai for: (A) Trust Certificates (where the relevant Series are also admitted to the Official List and admitted to trading on the Market); or (B) Exempt Certificates (where the relevant Series are not admitted to the Official List nor admitted to trading on the Market), issued under this Programme during the period of 12 months from the date of

this Base Prospectus to be admitted to the official list of securities maintained by the DFSA (the **Dubai Official List**) and to be admitted to trading on Nasdaq Dubai (referred to, together, as **an admission to Nasdaq Dubai**). An application may be made for any Series to be admitted to Nasdaq Dubai.

Application may be made to the Taipei Exchange for the listing and trading of (A) Trust Certificates (where the relevant Series are also admitted to the Official List and admitted to trading on the Market); or (B) Exempt Certificates (where the relevant Series are not admitted to the Official List nor admitted to trading on the Market) issued under this Programme.

References in this Base Prospectus to Trust Certificates being **listed** (and all related references) shall mean that: (i) such Trust Certificates have been admitted to the Official List and admitted to trading on the Market only; (ii) Trust Certificates have been admitted to the Official List and admitted to trading on the Market and admitted to one or more of Nasdaq Dubai and the Taipei Exchange; or (iii) Exempt Certificates have been admitted to Nasdaq Dubai and/or the Taipei Exchange. The requirement to publish a prospectus under the Prospectus Regulation only applies to Trust Certificates which are to be admitted to trading on a regulated market in the EEA and/or offered to the public in any member state of the EEA (each, a **Member State**).

**References in this Base Prospectus to "Exempt Certificates" are to Trust Certificates for which no prospectus is required to be published under the Prospectus Regulation. For the purposes of any Exempt Certificates issued pursuant to this Programme, this document does not constitute a base prospectus within the meaning of Article 2(s) of the Prospectus Regulation and will constitute listing particulars. Information contained in this Base Prospectus regarding Exempt Certificates and any Pricing Supplement relating thereto shall not be deemed to form part of this Base Prospectus and the CBI has neither approved nor reviewed information contained in this Base Prospectus in connection with the offering and sale of Exempt Certificates or the related Pricing Supplement to which the Exempt Certificates are subject.**

The Programme provides that the Exempt Certificates may be listed on the Dubai Official List and/or the Taipei Exchange, as the case may be, or on such other or further stock exchanges or markets as may be agreed between the relevant Issuer, the IsDB and the relevant Dealer. The Issuer may also issue unlisted Exempt Certificates and/or Exempt Certificates not admitted to trading on any market. The applicable Final Terms in respect of the issue of any Trust Certificates (other than Exempt Certificates) will specify whether or not such Trust Certificates will be listed on the Official List and admitted to trading on the Market. If any Trust Certificates (other than Exempt Certificates) are to be admitted to trading on any other stock exchange, such admission will be in addition (rather than an alternative) to their admission to trading on the Market. In the case of Exempt Certificates, the relevant Trust Certificates will not be listed and/or admitted to trading on the Market or any other Regulated Market, and the applicable Pricing Supplement will state whether or not the relevant Exempt Certificates will be listed and/or admitted to trading on an unregulated market. Accordingly, in the case of Exempt Certificates, each reference in this Base Prospectus to the applicable Final Terms shall be read and construed as a reference to the applicable Pricing Supplement, unless the context requires otherwise.

Notice of the aggregate face amount of Trust Certificates and any other terms not contained herein which are applicable to each Tranche of Trust Certificates will be set out in the applicable Final Terms which, with respect to Trust Certificates to be listed on the Market, will be delivered to the CBI and the Market and which, with respect to Trust Certificates to be listed on Nasdaq Dubai, will be delivered to the DFSA and Nasdaq Dubai. In the case of Exempt Certificates, notice of the aggregate nominal amount of the Trust Certificates and any other terms which are contained therein which are applicable to such Tranche of Trust Certificates will be set out in the Pricing Supplement relating to such Tranche.

The Trust Certificates will be limited recourse obligations of the relevant Trustee. An investment in Trust Certificates issued under the Programme involves certain risks, as more fully described in the section "*Risk Factors*" beginning on page 12.

Each Series of Trust Certificates will be issued in registered form in the form of a global trust certificate (each a **Global Trust Certificate**) which will be: (i) deposited with, and registered in the name of a nominee of, a common depository for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking

S.A. (**Clearstream, Luxembourg**) on or about the relevant Issue Date (as specified in the applicable Final Terms or Pricing Supplement, as the case may be) of the first Tranche of each such Series; or (ii) held under the New Safekeeping Structure (the **NSS**), in which case the Global Trust Certificate will be delivered to, and registered in the name of a nominee of, a common safekeeper for Euroclear and Clearstream, Luxembourg on or prior to the relevant Issue Date of the first Tranche of each such Series. Interests in Trust Certificates in individual registered form will only be issued in exchange for interests in the relevant Global Trust Certificate in exceptional circumstances or as otherwise specified in the Final Terms or Pricing Supplement, as the case may be, applicable to the relevant Series.

Each of S&P Global Ratings Europe Limited (**S&P**), Moody's Investors Service Inc. (USA) (**Moody's**) and/or Fitch Ratings Ltd (**Fitch** and together with S&P and Moody's, the **Rating Agencies**, and each a **Rating Agency**) has rated the IsDB.

S&P is established in the European Union and is registered under Regulation (EC) No 1060/2009 (the **CRA Regulation**). S&P is not established in the United Kingdom and has not applied for registration under the CRA Regulation as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (the **UK CRA Regulation**), though the rating issued by S&P referred to below has been endorsed by S&P Global Ratings UK Limited. S&P Global Ratings UK Limited is established in the United Kingdom and is registered in accordance with the UK CRA Regulation.

Moody's is not established in the United Kingdom or the European Union and has not applied for registration under the CRA Regulation or the UK CRA Regulation, though its rating referred to below has been endorsed by Moody's Deutschland GmbH in accordance with the CRA Regulation and Moody's Investors Service Ltd. in accordance with the UK CRA Regulation. Moody's Deutschland GmbH is established in the European Union and registered under the CRA Regulation. Moody's Investors Service Ltd. is established in the United Kingdom and registered in accordance with the UK CRA Regulation.

Fitch is established in the United Kingdom and registered in accordance with the UK CRA Regulation. The rating issued by Fitch referred to below has been endorsed by Fitch Ratings Ireland Limited. Fitch Ratings Ireland Limited is established in the European Union and registered under the CRA Regulation.

S&P has given the IsDB a long-term issuer rating of 'AAA' and a short-term issuer rating of 'A-1+' with a stable outlook. Moody's has given the IsDB a long-term issuer rating of 'Aaa' and a short-term issuer rating of P-1 with a stable outlook. Fitch has given the IsDB a long-term issuer rating of 'AAA' and a short-term issuer rating of 'F1+' with a stable outlook.

Moody's is expected to issue a rating of 'Aaa', S&P is expected to issue a rating of 'AAA' and Fitch has issued a rating of 'AAA' in respect of the Programme. Trust Certificates issued under the Programme may also be assigned a rating by one or more of the Rating Agencies.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the Rating Agencies. A suspension, reduction or withdrawal of the rating assigned to the Trust Certificates may adversely affect the market price of the Trust Certificates. The Trustees have not requested a rating on the Trust Certificates by any rating agency other than the Rating Agencies.

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

**Arranger**

**Standard Chartered Bank**

**Dealers**

<b>CIMB</b>	<b>Citigroup</b>
<b>Crédit Agricole CIB</b>	<b>First Abu Dhabi Bank</b>
<b>HSBC</b>	<b>J.P. Morgan</b>
<b>NATIXIS</b>	<b>Société Générale Corporate &amp; Investment Banking</b>
<b>Standard Chartered Bank</b>	

The date of this Base Prospectus is 19 April 2022.



## IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus in respect of all Trust Certificates (other than Exempt Certificates) for the purposes of the Prospectus Regulation.

Each of the Issuers and the IsDB (together, the **Responsible Persons**) accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The DFSA does not accept any responsibility for the content of the information included in this Base Prospectus, including the accuracy or completeness of such information. The liability for the content of this Base Prospectus lies with the Issuers and the IsDB. The DFSA has also not assessed the suitability of any Trust Certificates issued under this Programme to any particular investor or type of investor and has not determined whether they are Shari'a compliant. If you do not understand the contents of this Base Prospectus or are unsure whether any Trust Certificates issued under this Base Prospectus are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.

This Base Prospectus should be read and construed together with any amendments or supplements hereto and with any other documents incorporated by reference herein and, in relation to any Tranche of Trust Certificates, should be read and construed together with the applicable Final Terms or in the case of Exempt Certificates, the applicable Pricing Supplement, as the case may be.

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

No person is or has been authorised to give any information or make any representation other than those contained in this Base Prospectus or any other document entered into in relation to the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Trustees, the IsDB, the Dealers (as defined in the "*General Description of Programme*"), the Agents (each as defined herein), the Delegate or any other person. Neither the delivery of this Base Prospectus nor any Final Terms or Pricing Supplement, as the case may be, nor the offering or sale of any Trust Certificate hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of either of the Trustee or the IsDB since the date hereof. Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer of, or an invitation by, or on behalf of, either of the Trustees, the IsDB, the Dealers, the Agents or the Delegate to subscribe for, or purchase any Trust Certificates. This Base Prospectus does not constitute an offer, and may not be used for the purposes of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

The Dealers, the Agents and the Delegate have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, the Agents and the Delegate or any of them as to the accuracy or completeness of the information contained in this Base Prospectus or of any other information provided by either of the Trustees or the IsDB in connection with the Trust Certificates or their distribution. None of the Dealers nor any of their respective affiliates accepts any responsibility for any acts or omissions of either of the Trustees, the IsDB or any other person (other than the relevant Dealer) in connection with the Base Prospectus or the issue and offering of the Trust Certificates.

This Base Prospectus is not intended to provide the basis of any credit or other evaluation, save for making an investment decision on the Trust Certificates, and should not be considered as a recommendation by the

Trustees, the IsDB, the Dealers, the Agents, the Delegate or any other person that any recipient of this Base Prospectus should purchase any of the Trust Certificates. Each investor contemplating purchasing Trust Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Trustee and/or the IsDB. This Base Prospectus may only be used for the purposes for which it has been published.

No comment is made or advice given by either of the Trustees, the IsDB, the Dealers, the Delegate, the Agents or any other person in respect of taxation matters relating to any Trust Certificates or the legality of the purchase of Trust Certificates by an investor under applicable or similar laws.

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

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Trust Certificates, the merits and risks of investing in the Trust Certificates and the information contained in this Base Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Trust Certificates and the impact the Trust Certificates will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Trust Certificates, including where the currency of payment is different from the potential investor's currency;
- understand thoroughly the terms of the Trust Certificates and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Trust Certificates shall in any circumstances imply that the information contained herein concerning either of the Trustees or the IsDB is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in this document containing the same.

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

Amounts payable under the Trust Certificates may be calculated by reference to EURIBOR, €STR, SONIA and SOFR. As at the date of this Base Prospectus, the administrator of EURIBOR is included in the European Securities and Markets Authority's (**ESMA**) register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (as amended, the **Benchmarks Regulation**). As at the date of this Base Prospectus, the administrators of €STR, SONIA and SOFR are not included in ESMA's register of administrators under the Benchmarks Regulation. As far as the IsDB is aware, €STR, SONIA and SOFR do not fall within the scope of the Benchmarks Regulation by virtue of Article 2 of that regulation.

This Base Prospectus does not constitute an offer to sell or the solicitation of any offer to buy any Trust Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Trust Certificates may be restricted by law in certain jurisdictions. The Trustees, the IsDB, the Dealers, the Delegate and the Agents do not represent that this Base Prospectus may be lawfully distributed, or that any Trust 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 Trustees, the IsDB, the Dealers, the Delegate or the Agents which is intended to permit a public offering of any Trust Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Trust Certificates may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Trust Certificates may come must inform themselves about, and observe any such restrictions on the distribution of this Base Prospectus and the offering and sale of Trust Certificates. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Trust Certificates in the United States, the EEA, the United Kingdom, the United Arab Emirates (excluding the Dubai International Financial Centre (the **DIFC**)), the DIFC, Jersey, the Kingdom of Saudi Arabia (**KSA**), Luxembourg, Hong Kong, Republic of Singapore (**Singapore**), Qatar (including the Qatar Financial Centre), the Kingdom of Bahrain (**Bahrain**) and Taiwan, the Republic of China (**ROC**) (see "*Subscription and Sale*").

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms (or the Pricing Supplement, as the case may be) in respect of any Tranche of Trust Certificates may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Trust Certificates and which channels for distribution of the Trust Certificates are appropriate. Any person subsequently offering, selling or recommending the Trust Certificates (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Trust Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

**UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET** – The Final Terms (or the Pricing Supplement, as the case may be) in respect of any Tranche of Trust Certificates may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Trust Certificates and which channels for distribution of the Trust Certificates are appropriate. Any person subsequently offering, selling or recommending the Trust Certificates (a **distributor**) should take into consideration the 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 Trust 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 Trust Certificates is a manufacturer in respect of such Trust Certificates, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms (or the Pricing Supplement, as the case may be) in respect of any Tranche of Trust Certificates includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the relevant Trust 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; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), 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 **PRIIPs Regulation**) for offering or selling the Trust Certificates or otherwise making them available to retail

investors in the EEA has been prepared and therefore offering or selling the Trust Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT – UK RETAIL INVESTORS** – If the Final Terms (or the Pricing Supplement, as the case may be) in respect of any Trust Certificates includes a legend entitled "Prohibition of Sales to UK Retail Investors", the relevant Trust 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 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 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 Trust Certificates or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Trust Certificates or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**SINGAPORE SFA PRODUCT CLASSIFICATION** - In connection with Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (as modified or amended from time to time, the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), unless otherwise specified before an offer of Trust Certificates, the Trustees have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Trust Certificates are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The maximum aggregate nominal amount of Trust Certificates outstanding at any one time under the Programme will not exceed U.S.\$25,000,000,000 and for this purpose, any Trust Certificates denominated in another currency shall be translated into U.S.\$ at the date of the agreement to issue such Trust Certificates (calculated in accordance with the provisions of the Dealer Agreement (as defined herein)). The maximum aggregate nominal amount of Trust Certificates which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Presentation of Financial Information

The unit of account of the IsDB-OCR (as defined below) is the Islamic Dinar. At the date of this Base Prospectus, one ID is equal to one SDR of the IMF. The IMF revises the SDR valuation every five years. With effect from 1 October 2016, the IMF has assigned the following weights to the five component currencies of the SDR: U.S. Dollar (41.73 per cent.), euro (30.93 per cent.), Chinese Yuan (10.92 per cent.), British Pound Sterling (8.09 per cent.) and Japanese Yen (8.33 per cent.).

In this Base Prospectus all references to:

- **\$, U.S.\$ or U.S. Dollars** are to the lawful currency of the United States of America;
- **£, GBP and Sterling** are to United Kingdom pounds sterling;
- **€, EUR or euro** are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended (the **Treaty**);
- **AAOIFI** are to the Accounting and Auditing Organization for Islamic Financial Institutions;
- **IFRS** are to the International Financial Reporting Standards;
- **IMF** are to the International Monetary Fund;
- **ID or Islamic Dinar** are to the unit account of the IsDB;
- **Japanese Yen** are to the lawful currency of Japan;
- **NT\$** are to the lawful currency of the ROC;
- **PRC** are to the People's Republic of China (which, for the purposes of this Base Prospectus, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan);
- **Renminbi, Chinese Yuan, RMB or CNY** are to the lawful currency of the PRC;

- **SAR** are to Saudi Riyals; and
- **SDR** are to Special Drawing Right of the IMF.

The U.S. Dollar amounts in parentheses after ID amounts in this Base Prospectus are only indicative and approximations of actual amounts in ID which may vary from the U.S. Dollar figures used in the annual report and audited financial statements of the IsDB-OCR. For the purpose of simplicity and except where otherwise indicated, all financial statement figures as at and for the year ended 31 December 2020 have been converted using exchange rates of ID1 = U.S.\$1.44027 and all financial statement figures as at and for the year ended 31 December 2019 have been converted using exchange rates of ID1 = U.S.\$ 1.38283, in each instance being the exchange rate most recently published by the IMF prior to 31 December of the relevant year.

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

In this Base Prospectus, all references to the year ended 31 December 2019 are to the financial year of the IsDB-OCR or the relevant Trustee, as applicable, and the year ended 31 December 2020 are to the financial year of the IsDB-OCR or the relevant Trustee, as applicable.

IsDB - Ordinary Capital Resources (the **IsDB-OCR**) includes subscribed capital, deposits, amounts received in repayment of loans and amounts received from the sale of equity holdings and income from investments on ordinary operations, as well as any other funds raised or received by the IsDB-OCR, or placed at its disposal, or income received by it, which do not form part of the resources of special funds and trust funds established by the IsDB.

Since its incorporation, IsDB Trust Services No.2 SARL has not prepared any audited financial statements. IsDB Trust Services No.2 SARL is required to publish audited financial statements under Luxembourg law from its financial year ended 31 December 2021. Publication of such accounts is required by 31 July 2022.

#### *Presentation of Alternative Performance Measures*

In this Base Prospectus, the IsDB-OCR uses the following metrics in the analysis of its business and financial position, which the IsDB-OCR considers to constitute Alternative Performance Measures (**APMs**) as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures.

<b>Metric</b>	<b>Definition and method of calculation</b>	<b>Rationale for inclusion</b>
Debt / equity	Total debt of the IsDB-OCR divided by total members' equity of the IsDB-OCR.	Leverage measure. The ratio indicates how much debt the IsDB-OCR is using to finance its assets relative to the amount of value represented in members' equity. A low percentage would indicate that the IsDB-OCR is using less leverage and has a stronger equity position.  Total debt for these purposes comprises sukuk issued, Wakala due and commodity Murabaha liabilities.
Assets / total liabilities	Total assets of the IsDB-OCR divided by its total liabilities.	The ratio compares the assets accumulated by the IsDB-OCR against its existing short and long-term liabilities. A high percentage would indicate that the IsDB-OCR has a better ability to satisfy its financial obligations using its total assets.

<b>Metric</b>	<b>Definition and method of calculation</b>	<b>Rationale for inclusion</b>
Liquid assets / total liabilities	Liquid assets of the IsDB-OCR divided by its total liabilities.	<p>Liquidity measure. The ratio compares the liquid assets accumulated by the IsDB-OCR against its existing short and long-term liabilities. A high percentage would indicate that the IsDB-OCR has a better ability to satisfy its financial obligations using its liquid assets.</p> <p>For these purposes, liquid assets comprise treasury assets which include cash and cash equivalents, commodity Murabaha placements, sukuk investments and Murabaha financing.</p>
Liquid assets / short term liabilities	Liquid assets of the IsDB-OCR divided by its short-term liabilities.	<p>Liquidity measure. The ratio compares the liquid assets accumulated by the IsDB-OCR against its existing short-term liabilities. A high percentage would indicate that the IsDB-OCR has a better ability to satisfy its short term financial obligations using its liquid assets.</p> <p>For these purposes, liquid assets comprise treasury assets which include cash and cash equivalents, commodity Murabaha placements, sukuk investments and Murabaha financing, and short-term liabilities include commodity Murabaha liabilities and other liabilities.</p>
Equity / total liabilities	Total members' equity of the IsDB-OCR divided by the total liabilities of the IsDB-OCR.	Capitalisation measure. The ratio measures the amount of the IsDB-OCR's members' equity as compared to its short and long-term liabilities. A high percentage would indicate that the IsDB-OCR has enough equity to cover its financial obligations.
Top five exposures / total gross loans	Total top five countries outstanding exposure of the IsDB-OCR on its sovereign and non-sovereign project assets and Murabaha financing divided by total gross loans.	<p>Risk management measure. The ratio measures the amount of top five countries outstanding exposure of the IsDB-OCR compared to its total gross loans. A lower ratio indicates less risk concentration.</p> <p>Total gross loans for these purposes includes project assets (gross) plus Murabaha financing (gross).</p>
Equity/assets	Total members' equity of the IsDB-OCR divided by the total assets of the IsDB-OCR.	Solvency measure. The ratio is an indicator of the level of leverage used by the IsDB-OCR and represents the amount of assets on which the Member Countries (as defined herein) have a residual claim. The higher the ratio, the less leveraged the IsDB-OCR is,

<b>Metric</b>	<b>Definition and method of calculation</b>	<b>Rationale for inclusion</b>
		meaning that a larger percentage of its assets are owned by the IsDB-OCR and its Member Countries.

These APMs are not defined by, or presented in accordance with, AAOIFI. The APMs are not measurements of the IsDB-OCR's operating performance under AAOIFI and should not be considered as alternatives to any measures of performance under AAOIFI or as measures of the IsDB-OCR's liquidity.

### **Presentation of Other Information**

In this Base Prospectus, all references to:

**Bahrain** means the Kingdom of Bahrain;

**Egypt** means the Arab Republic of Egypt;

**Fiqh Academy** means the International Islamic Fiqh Academy, an institution established by the Organisation of the Islamic Conference to interpret and develop Islamic jurisprudence;

**GCC** means the Gulf Cooperation Council;

**Ijarah** means contracts where a lessor leases property to a lessee in respect of which regular payments are due from the lessee;

**Ijarah muntahia bittamleek** means an ijarah contract with an option for the lessee to purchase the leased asset at the end of the term of the lease;

**Istisna'a** means a financing facility where the price is paid by the financiers to the contractor/supplier in accordance with the progress of the project being undertaken or goods being manufactured for selling the project/goods to the buyer. The payment by the buyer to the financier could be a lump sum or be paid over a period in various instalments (similar to a Murabaha). The difference between this and a Murabaha is that under a Murabaha the goods already exist at the time of draw down whereas under an istisna'a the goods are manufactured and then sold to the buyer. Therefore, an istisna'a is a sale contract where the buyer generally starts paying the instalments even before the goods/project are transferred;

**KSA** means the Kingdom of Saudi Arabia;

**Kuwait** means the State of Kuwait;

**Member Countries** means the countries that are shareholders in the IsDB;

**MENA region** means the Middle East and North Africa region;

**Mudaraba** means a partnership between two or more parties whereby a partner provides capital to the partnership and another partner provides managerial skills in respect of the management of the investment or venture which is the subject of the partnership;

**Mudarib** means a person who agrees to manage an investment or a venture in return for a percentage of the profit;

**Musharaka** means a partnership between two or more parties whereby each partner makes a capital contribution to the partnership (in cash or in kind) and shares the profit and loss in respect of that partnership in accordance with the terms agreed between the partners at the time of entering into the partnership arrangement;



**Murabaha** means a sale contract whereby the purchase price is determined on a cost plus a predetermined profit basis and such purchase price is payable either by instalments or through a single payment;

**Oman** means the Sultanate of Oman;

**OPEC** means the Organization of the Petroleum Exporting Countries;

**Qatar** means the State of Qatar;

**Rab al-Maal** means a person who invests in a mudaraba contract;

**Turkey** means the Republic of Turkey;

**UAE** means the United Arab Emirates;

**Wakala** means a contract of agency or delegated authority pursuant to which the principal appoints an agent (wakeel) to carry out a specific task on its behalf; and

**Waqf** means an endowment fund.

This Base Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Base Prospectus may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue" or similar terminology. Although the IsDB believes that the expectations reflected in its forward-looking statements are reasonable as at the date of this Base Prospectus, there can be no assurance that these expectations will prove to be correct.

In this Base Prospectus, 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.

## GENERAL NOTICE TO INVESTORS

The transaction structure relating to the Trust Certificates (as described in this Base Prospectus) has been approved by the IsDB Group Shariah Board. Prospective Certificateholders should rely on their own Shari'a advisers as to whether the proposed transaction described in the approval referred to above meets their respective Shari'a requirements. None of the Trustee, the IsDB, the Dealers, the Delegate or any of the Agents makes any representation as to the Shari'a compliance of the Trust Certificates and/or any trading thereof.

## NOTICE TO UK RESIDENTS

Trust Certificates issued under the Programme which do not constitute "alternative finance investment bonds" within the meaning of Article 77A of the Financial Services and Markets Act 2000 (*FSMA*) as amended by the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 (*Non-Regulatory 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 United Kingdom Financial Conduct Authority (the *FCA*). Accordingly, the Trust Certificates cannot be marketed in the United Kingdom to the general public and this Base Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Base Prospectus, any Final Terms or any Pricing Supplement, as the case may be, and any other marketing materials relating to the Trust Certificates of any Series (A) if effected by a person who is not an authorised person under *FSMA*, is being addressed to, or directed at, 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*) and (ii) persons falling within any of the categories of persons described in Article 49(2)(a)-(d) (High net worth companies, unincorporated associations, etc.) of the *Financial Promotion Order* and (B) if the Trust Certificates are Non-Regulatory AFIBs and the distribution is effected by a person who is an authorised person under *FSMA*, is being addressed to, or directed at, only the following persons: (i) persons falling within one of the categories of "Investment Professional" as defined in Article 14(5) of the *FSMA* (Promotion of Collective Investment Schemes) (Exemption) Order 2001 (the *Promotion of CIS 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 CIS Order* and (iii) any other person to whom it may otherwise lawfully be made in accordance with the *Promotion of CIS Order*. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Base Prospectus, any Final Terms or Pricing Supplement, as the case may be, or any other marketing materials in relation to the Trust Certificates of any Series.

Potential investors in the United Kingdom in any Trust Certificates which are Non-Regulatory AFIBs are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in the Trust Certificates and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

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

The contents of this Base Prospectus as amended or supplemented from time to time have not been approved by an authorised person in accordance with the rules of the *FCA*.

## JERSEY NOTICE

The Jersey Financial Services Commission (the *Commission*) has given, and has not withdrawn, its consent under Article 9(1) of the Control of Borrowing (Jersey) Order 1958 (*COBO*) as amended to the raising of money in Jersey by the issue of Trust Certificates from time to time under the Programme by IDB Trust Services Limited. The Commission has also given, and has not withdrawn, its consent under Article 8(3) of *COBO* as amended to the circulation of the Base Prospectus, or any other documents pursuant to which an offer of Trust Certificates may be made, in Jersey in respect of the Trust Certificates issued by IsDB Trust Services No.2 SARL. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that Law.

The investments described in this Base Prospectus do not constitute a collective investment fund for the purpose of the Collective Investment Funds (Jersey) Law 1988, as amended, on the basis that they are investment products designed for financially sophisticated investors with specialist knowledge of, and experience of investing in, such investments, who are capable of fully evaluating the risks involved in making such investments and who have an asset base sufficiently substantial as to enable them to sustain any loss that they might suffer as a result of making

such investments. These investments are not regarded by the Jersey Financial Services Commission as suitable investments for any other type of investor.

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

Potential investors who are in any doubt about the contents of this Base Prospectus should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser.

The price of the Trust Certificates and the profit distributions from them can go down as well as up.

#### LUXEMBOURG NOTICE

The Trust Certificates have not been and will not be offered to the public, within the meaning of Article 2(d) of the Prospectus Regulation, in or from Luxembourg and each prospective Certificateholder states that it will not offer the Trust Certificates or cause the offering of the Trust Certificates or contribute to the offering of the Trust Certificates to the public in or from Luxembourg, unless:

- a prospectus has been duly approved by the Luxembourg financial supervisory authority, the *Commission de Surveillance du Secteur Financier* (the *CSSF*), in accordance with the Prospectus Regulation and the Luxembourg Act dated 16 July 2019 on prospectuses for securities (the *Prospectus Act*); or
- if Luxembourg is the relevant Issuer's host Member State within the meaning of Article 2(n)(ii) of the Prospectus Regulation, the *CSSF* has been notified by the home Member State's competent authority that the latter has duly approved the prospectus in accordance with the Prospectus Regulation; or
- the offer is made to a qualified investor within the meaning of Article 2(e) of the Prospectus Regulation; or
- the offer benefits from any other exemption from, or constitutes a transaction otherwise not subject to, the requirement to publish a prospectus pursuant to the Prospectus Regulation or the Prospectus Act.

The *CSSF* has not and will not review, approve or register the Base Prospectus under the Prospectus Regulation or the Prospectus Act.

The Trust Certificates are not and will not be listed or otherwise admitted to trading, under the Prospectus Regulation or the Prospectus Act, on any Luxembourg stock exchange or on any other regulated or unregulated market in Luxembourg.

#### NOTICE TO BAHRAIN RESIDENTS

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

This Base Prospectus does not constitute an offer of securities in Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (Decree Law No. 64 of 2006). This Base Prospectus and any related offering documents have not been and will not be registered as a prospectus with the *CBB*. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus or any 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 to accredited investors (as such term is defined by the *CBB*) for an offer outside Bahrain.

The *CBB* has not reviewed, approved or registered the Base Prospectus or any related offering documents and it has not in any way considered the merits of the securities to be offered for investment, whether in or outside the Kingdom of Bahrain.

Therefore, the *CBB* assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document. No offer of securities will be made to the

public in Bahrain and this Base Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

#### KINGDOM OF SAUDI ARABIA NOTICE

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

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

#### NOTICE TO RESIDENTS OF MALAYSIA

Pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, issued by the Securities Commission Malaysia (the SC) on 9 March 2015, effective from 15 June 2015 and revised on 22 November 2021 (the *Guidelines on Unlisted Capital Market Products*), the lodgement in relation to the Programme has been made with the SC on 5 October 2015. A copy of the Base Prospectus will be deposited by CIMB Investment Bank Berhad, who has been appointed as principal adviser in connection with any dealing with Malaysian authorities, with the SC in accordance with the Capital Markets and Services Act 2007 of Malaysia (the CMSA), and the Guidelines on Unlisted Capital Markets Products.

The Trust Certificates may not be offered for subscription or purchase and no invitation to subscribe for or purchase the Trust Certificates may be made in Malaysia and this Base Prospectus or any document or other materials in connection therewith may not be distributed in Malaysia directly or indirectly for the purpose of any sale of the Trust Certificates in Malaysia, unless such offer for subscription or purchase, invitation to subscribe or purchase or sale falls within: (i) if at issuance of the Trust Certificates, Part I of Schedule 6, Part I of Schedule 7 and Schedule 8 (or Section 257(3)), read together with Schedule 9 (or Section 257(3)) of the CMSA; or (ii) if after the issuance of the Trust Certificates, Part I of Schedule 6 (or Section 229(1)(b)) and Schedule 8 (or Section 257(3)), read together with Schedule 9 (or Section 257(3)) of the CMSA.

The SC does not take any responsibility for the contents of this Base Prospectus or make any representation as to its accuracy or completeness and the SC expressly disclaims any liability whatsoever for any loss howsoever arising from, or as a result of any reliance upon, any part of the contents of this Base Prospectus. The lodgement with the SC shall not be taken to indicate that the SC recommends any subscription or purchase of the Trust Certificates or as any indication of the merits of the Trustees, the IsDB, the Delegate or the Trust Certificates. Investors are advised to read and understand the contents of this Base Prospectus before investing. If in any doubt, an investor should consult its advisers.

#### CANADA NOTICE

The distribution of the Trust Certificates in each of the provinces of Canada will be made only on a private placement basis exempt from the requirement that the Issuers prepare and file a prospectus with the securities regulatory authorities in each of the provinces of Canada where trades of the Trust Certificates are made. The Issuers are not reporting issuers in any province or territory of Canada. Any resale of the Trust Certificates in Canada must be made under applicable securities laws which may impose a hold period or require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Canadian purchasers are further advised that there is no intention to file a prospectus or similar document with any securities regulatory authority in Canada with respect to the offering or with respect to the resale of the Trust Certificates to the public in any province or territory of Canada. Purchasers are advised to seek legal advice prior to any resale of the Trust Certificates as such resales may only be undertaken in accordance with applicable laws.

## NOTICE TO RESIDENTS OF THE STATE OF QATAR

Any Trust Certificates to be issued under the Programme will not be offered or sold at any time, directly or indirectly, in the State of Qatar (*Qatar*) (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Prospectus has not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in Qatar. The Trust Certificates are not and will not be traded on the Qatar Stock Exchange. The Trust Certificates and interests therein will not be offered to investors domiciled or resident in Qatar and do not constitute debt financing in Qatar (including the Qatar Financial Centre) under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of Qatar (including the Qatar Financial Centre).

### VOLCKER RULE

IsDB takes the view that each Trustee is not a "covered fund" as such term is defined in Section 13 of the Bank Holding Company Act of 1956, as amended, and any implementing regulations and related guidance (the **Volcker Rule**). Accordingly, each Trustee intends to conduct its business so as not to constitute a "covered fund" for the purposes of the Volcker Rule. 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. Any prospective investor in the Trust Certificates, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule.

### STABILISATION

In connection with the issue of any Tranche, the Dealer or Dealers named as the stabilisation manager(s) (the **Stabilisation Manager(s)**) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms or Pricing Supplement may effect transactions with a view to supporting the market price of the Trust Certificates at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the issue date of the relevant Tranche 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 and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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## GENERAL DESCRIPTION OF THE PROGRAMME

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

*Reference to a "Condition" is to a numbered condition of the "Terms and Conditions of the Trust Certificates".*

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

The Programme provides a facility for the issuance of Trust Certificates in Series, which may comprise one or more Tranches. The terms and conditions governing each Tranche of Trust Certificates will be the "Terms and Conditions of the Trust Certificates" as described herein, as completed by the applicable Final Terms or as completed, modified or supplemented by the applicable Pricing Supplement, as the case may be. The following is a summary of the principal features of the Trust Certificates.

On the occasion of each issuance of Trust Certificates, the relevant Issuer will receive the contributions from the Certificateholders representing the proceeds of the Trust Certificates in the amount specified in the relevant Supplemental Trust Deed.

Each Issuer has agreed to apply, on each occasion on which Trust Certificates are issued by it and in respect of the relevant Tranche of Trust Certificates issued by it only, the net proceeds of the issue of such Trust Certificates to purchase from the IsDB a portfolio of assets created by the IsDB (on the basis of the assessment of the historical performance of different asset classes) which shall be separate and independent from all other assets of the IsDB and shall comprise:

- (a) at least 51 per cent. tangible assets comprising of Leased Assets, Disbursing Istisna'a Assets, Shares, Sukuk and/or Restricted Mudaraba Assets; and
- (b) no more than 49 per cent. intangible assets comprising of Istisna'a Receivables, Loan (Qard) Receivables, Commodity Murabaha (Tawarruq) Receivables and/or Murabaha Receivables,

including, without limitation, the right to receive payment of any amounts due in connection with such assets, the right to demand, sue for, recover, receive and give receipts for all amounts payable, or to become payable, under the assets and/or agreements relating to the assets and the benefit of, and the right to sue on, all covenants in favour of the IsDB and the right to exercise all powers of the IsDB thereunder, such portfolio being, in respect of the first Tranche under a Series, the **Initial Portfolio** and, in respect of any other Tranche under a Series, the **Additional Portfolio**. The portfolio in respect of each Series shall comprise the Initial Portfolio, any Additional Portfolio and any Additional Portfolio Assets purchased from time to time (the **Portfolio**), in accordance with the Master Purchase Agreement and, in respect of each Tranche, a Supplemental Purchase Agreement.

Pursuant to the Master Wakala Agreement, on the date of each Supplemental Wakala Agreement, the IsDB and the Issuer shall also agree that on the relevant Dissolution Date, the amount by which the return on such Portfolio exceeds the Periodic Distribution Amounts due to Certificateholders in respect of the relevant Series of Trust Certificates (as specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, and whether relating to Fixed Periodic Distribution Amounts or Floating Periodic Distribution Amounts) shall be retained by the IsDB as an Incentive Fee (as defined in the

Master Wakala Agreement) for its services as Wakeel in relation to the Programme. In addition, the Wakeel shall be paid a nominal amount of U.S.\$100, on the date of each Supplemental Wakala Agreement, as a basic fee (the **Basic Fee**).

Pursuant to an Additional Portfolio Assets Sale Undertaking, the relevant Trustee has been granted the right to require the IsDB to sell, in certain circumstances (as detailed below), to such Trustee on the relevant Settlement Date (as specified in the relevant exercise notice (the **Additional Portfolio Assets Exercise Notice**) scheduled to the Additional Portfolio Assets Sale Undertaking Deed), at the relevant purchase price (the **Purchase Price**), the relevant **Additional Portfolio Assets** (as defined in the Master Purchase Agreement and as specified in the relevant Additional Portfolio Assets Exercise Notice).

The Purchase Price payable for the relevant Additional Portfolio Assets will be specified in the relevant Additional Portfolio Assets Sale Agreement scheduled to the Additional Portfolio Assets Sale Undertaking Deed and will be an aggregate amount no greater than the total amount of principal collections to be applied to the acquisition of Additional Portfolio Assets in order to reduce any Revenue Generating Assets Shortfall disclosed in a Servicing Report to zero (the **Revenue Generating Assets Make-Whole Amount**) in respect of the relevant Series.

The right granted under the Additional Portfolio Assets Sale Undertaking Deed may only be exercised by the relevant Trustee, and only to the extent that, the IsDB has relevant Additional Portfolio Assets on its balance sheet and at its disposal for sale to the relevant Trustee (as specified in the relevant Purchase Report (as defined in the Master Purchase Agreement)) and if:

- (a) in respect of the relevant Series, on the relevant Report Date (as defined in the Master Purchase Agreement) prior to the relevant Settlement Date:
  - (i) the aggregate net asset value of all Leased Assets, Disbursing *Istisna'a* Assets, Shares, Sukuk and Restricted Mudaraba Assets comprised in the relevant Portfolio (less all principal collections (if any) received in respect of those assets during the period from the closing date or the relevant settlement date (as applicable) to but excluding the relevant Report Date) divided by the net asset value of the relevant Portfolio and multiplied by one hundred, as set out in the relevant Servicing Report on a Report Date (the **Tangibility**), as identified in the Servicing Report (as defined in the Master Wakala Agreement), is less than 51 per cent.; or
  - (ii) there is a Revenue Generating Assets Shortfall identified in the relevant Servicing Report, by delivering an Additional Portfolio Assets Exercise Notice to the IsDB specifying the Settlement Date and details of the Additional Portfolio Assets to be purchased; and
- (b) the Additional Portfolio Assets specified in the relevant Additional Portfolio Assets Exercise Notice comprise of:
  - (i) in the event that the relevant Additional Portfolio Assets Exercise Notice is delivered pursuant to paragraph (a)(i) above, the rights, title, interest and benefit of the IsDB in, to and under Leased Assets, Disbursing *Istisna'a* Assets, Shares, Sukuk and/or Restricted Mudaraba Assets (as, and only to the extent, specified in the relevant Purchase Report) the aggregate Net Asset Value (as defined in the Master Purchase Agreement) of such Leased Assets, Disbursing *Istisna'a* Assets, Shares, Sukuk and/or Restricted Mudaraba Assets being no greater than the relevant Tangibility Make-Whole Amount (as defined in the Master Wakala Agreement); and
  - (ii) in the event that the relevant Additional Portfolio Assets Exercise Notice is delivered pursuant to paragraph (a)(ii) above, Additional Portfolio Assets (as, and only to the extent,



specified in the relevant Purchase Report) the aggregate Net Asset Value of such Additional Portfolio Assets being no greater than the relevant Revenue Generating Assets Make-Whole Amount.

Following the exercise of this right, the relevant Trustee will pay the relevant Purchase Price to the IsDB and such Trustee and the IsDB will enter into an Additional Portfolio Assets Sale Agreement to effect the sale of the relevant Additional Portfolio Assets to such Trustee.

In the event that the IsDB has insufficient assets available to sell to the relevant Trustee on a Settlement Date, such Trustee will not be able to exercise the Additional Portfolio Assets Sale Undertaking Deed. Instead the relevant Trustee shall instruct the Wakeel to purchase additional Sukuk and Shares from the open market on its behalf in accordance with the terms of the Master Wakala Agreement.

Pursuant to the Trust Deed in respect of the relevant Tranche of Trust Certificates, the relevant Trustee will declare a trust (each, a **Trust**) over the Trust Assets. Each Trust will be declared for the benefit of the Certificateholders of the relevant Tranche.

The relevant Trustee shall carry out the activities of the relevant Trust in accordance with the Trust Deed. In accordance with the Trust Deed, the relevant Trustee will unconditionally and irrevocably appoint the Delegate to be its attorney and to exercise certain future duties, powers, authorities and discretions vested in the relevant Trustee by certain provisions of the Trust Deed and in accordance with the terms of the Trust Deed at all times.

Each Trustee has appointed the IsDB to perform limited actions in order to manage the Portfolio of each Series of Trust Certificates issued by it pursuant to the Master Wakala Agreement, as supplemented by the Supplemental Wakala Agreement.

Profit received in respect of the Portfolio of each Series of Trust Certificates will, after paying the expenses of the relevant Trust, be applied to make Periodic Distributions in respect of such Series of Trust Certificates on the relevant Periodic Distribution Date(s), as more particularly described in the Terms and Conditions. If on the Dissolution Date, the amount of profit collected by the IsDB as Wakeel in respect of the Portfolio is in excess of the Periodic Distribution Amounts payable by the relevant Trustee to the Certificateholders of the relevant Series on the relevant Periodic Distribution Date, the IsDB shall retain such excess, in accordance with the Master Wakala Agreement, as an incentive fee for the performance of its services as Wakeel.

Principal amounts received in respect of the Portfolio of each Series of Trust Certificates will be credited to the Principal Account and if either a Tangibility Make-Whole Amount and/or a Revenue Generating Assets Make-Whole Amount arises, shall be used firstly in acquiring from the IsDB Additional Portfolio Assets pursuant to the Additional Portfolio Assets Sale Undertaking Deed and secondly, to the extent that the IsDB does not have sufficient Additional Portfolio Assets on its balance sheet and at its disposal for sale to the relevant Trustee to enable such Trustee to reinvest the principal amounts in full, by acquiring Shares and/or Sukuk in the open market (through the IsDB as its *wakeel*). Any such Additional Portfolio Assets, Shares and Sukuk will form part of the Portfolio of the relevant Series of Trust Certificates.

The IsDB has undertaken and shall be unconditionally and irrevocably obliged to purchase the outstanding Portfolio on the relevant Maturity Date or following the occurrence of the Dissolution Event (as defined in the Terms and Conditions) pursuant to the Purchase Undertaking Deed and the relevant IsDB Purchase Agreement substantially in the form annexed to the Purchase Undertaking Deed and containing the specific terms applicable to the relevant purchase.

Each Trustee has agreed to sell the outstanding Portfolio, upon the occurrence of an early dissolution for taxation reasons under Condition 11.2 (*Early Dissolution for Taxation Reasons*) or an optional

dissolution (call) under Condition 11.3 (*Dissolution at the Option of the Trustee*), pursuant to a Sale Undertaking Deed and the relevant Sale Agreement substantially in the form annexed to the Sale Undertaking Deed and containing the specific terms applicable to the relevant purchase.

The purchase price payable by the IsDB pursuant to each such IsDB Purchase Agreement or Sale Agreement, as the case may be, will be an amount equal to: (a) the Aggregate Nominal Amount (as specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be) of the relevant Series of Trust Certificates, and (b) the amount of accrued but unpaid Periodic Distribution Amounts on such date together with any additional amounts required to be paid in respect of the relevant Series pursuant to Condition 12 (*Taxation*), as more particularly described in "*Summary of the Principal Programme Documents*".

Pursuant to the Guarantee (as defined in the Terms and Conditions as defined herein), the IsDB has guaranteed to the Trustees the punctual performance of any and all payment obligations arising or falling due under or in respect of the assets constituting the Portfolio of the relevant Series of Trust Certificates to allow timely payment of profit amounts due to Certificateholders under the Trust Certificates (including any additional amounts required to be paid in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*)).

**Certificateholders, by subscribing for or acquiring Trust Certificates, acknowledge that no recourse may be had for the payment of any amount owing in respect of any Trust Certificates against the relevant Trustee or the Delegate, in any circumstances whatsoever, or the relevant Trust to the extent the relevant Trust Assets (as defined in the Terms and Conditions) have been exhausted, following which all obligations of the relevant Trustee, the Delegate and the relevant Trust shall be extinguished.**

**Certificateholders should note that through a combination of, *inter alia*, the Guarantee and the Purchase Undertaking Deed, the relevant Trustee will have recourse to the IsDB and the ability of such Trustee to pay the amounts due in respect of the Trust Certificates will ultimately be dependent on the IsDB.**

A description of the IsDB is included within this Base Prospectus under "*Description of the IsDB*" below.

The Master Purchase Agreement, the Master Wakala Agreement, the Guarantee, the Purchase Undertaking Deed, the Sale Undertaking Deed, the Additional Portfolio Assets Sale Undertaking Deed and the Master Trust Deed are described in more detail in "*Summary of the Principal Programme Documents*" below.

## **Parties**

### **Issuer / Trustee:**

IDB Trust Services Limited, a company incorporated in accordance with the laws of, and formed and registered in, Jersey.

The authorised share capital of IDB Trust Services Limited is £10,000 divided into 10,000 shares with a nominal value of £1.00. All of IDB Trust Services Limited's shares have been issued and are held by Intertrust Corporate Trustee (Jersey) Limited under the terms of a trust for charitable purposes.

IDB Trust Services Limited will act as trustee in respect of the relevant Trust Assets (in its capacity as trustee) for the benefit of Certificateholders in accordance with the relevant Trust Deed and the Terms and Conditions of the relevant Trust Certificates.

Under the Master Trust Deed IDB Trust Services Limited will delegate certain powers, duties and authorities to the Delegate (as defined below), including the power and authority to enforce or realise the relevant Trust Assets.

The affairs of IDB Trust Services Limited are managed by Intertrust SPV Services Limited (formerly known as Elian SPV Services Limited and Ogier SPV Services Limited) (as provider of corporate services to the Trustee) pursuant to a corporate services agreement entered into on or about 23 May 2005 (the **Corporate Services Agreement**).

The Legal Entity Identifier (**LEI**) of IDB Trust Services Limited is 213800VKLEPJ95I3W549.

**Issuer / Trustee:**

IsDB Trust Services No.2 SARL, a private limited liability company ("*société à responsabilité limitée*") incorporated under the laws of the Grand-Duchy of Luxembourg, having its registered office at 6, rue Eugène Ruppert, L-2453 Luxembourg and being registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés*, Luxembourg) under number B247570.

The issued share capital of IsDB Trust Services No.2 SARL is EUR 12,000 divided into 12,000 shares with a nominal value of EUR 1. All of IsDB Trust Services No.2 SARL's shares are held by Intertrust Fiscal Trustee a.r.l.

IsDB Trust Services No.2 SARL will act as trustee in respect of the relevant Trust Assets (in its capacity as trustee) for the benefit of Certificateholders in accordance with the relevant Trust Deed and the Terms and Conditions of the relevant Trust Certificates. Under the Master Trust Deed IsDB Trust Services No.2 SARL will delegate certain powers, duties and authorities to the Delegate (as defined below), including the power and authority to enforce or realise the relevant Trust Assets.

The affairs of IsDB Trust Services No.2 SARL are managed by Intertrust (Luxembourg) S.à r.l. pursuant to a management and administration agreement entered into on or about 15 September 2020 (the **Management and Administration Agreement**).

The LEI of IsDB Trust Services No.2 SARL is 222100S88XMYHA1E3547.

**Guarantor** (in respect of payment obligations under the Portfolio):

The Islamic Development Bank.

**Guarantor LEI:**

254900TNNQC073KOJ554

**Arranger:**

Standard Chartered Bank.

**Dealers:**

CIMB Bank Berhad, Labuan Offshore Branch, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment

Bank, First Abu Dhabi Bank PJSC, HSBC Bank plc, J.P. Morgan Securities plc, Natixis, Société Générale and Standard Chartered Bank and any other Dealers appointed in accordance with the Dealer Agreement.

**Delegate:** The Law Debenture Trust Corporation p.l.c.

**Principal Paying Agent and Calculation Agent:** HSBC Bank plc.

**Registrar, Replacement Agent and Transfer Agent:** Intertrust SPV Services Limited (formerly known as Elian SPV Services Limited and Ogier SPV Services Limited).

**Corporate Administrators:** Intertrust SPV Services Limited and Intertrust (Luxembourg) S.à r.l.

### *Summary of the Programme*

**Listing:** Application has been made to Euronext Dublin for Trust Certificates (other than Exempt Certificates) issued under the Programme during the period of 12 months from the date hereof to be admitted to the Official List and to trading on the Market.

Application has been made to the DFSA and to Nasdaq Dubai for: (A) Trust Certificates (where the relevant Series are also admitted to the Official List and admitted to trading on the Market); or (B) Exempt Certificates (where the relevant Series are not admitted to the Official List nor admitted to trading on the Market), issued under this Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Nasdaq Dubai.

Application may be made to the Taipei Exchange for the listing and trading of: (A) Trust Certificates (where the relevant Series are also admitted to the Official List and admitted to trading on the Market); or (B) Exempt Certificates (where the relevant Series are not admitted to the Official List nor admitted to trading on the Market) issued under this Programme.

Exempt 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 relevant Issuer, the IsDB and the relevant Dealer in relation to the Series. Exempt Certificates which are neither listed nor admitted to trading on any market may also be issued. The applicable Pricing Supplement will state whether or not the relevant Exempt Certificates are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

**Programme Amount:** Up to U.S.\$25,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Trust Certificates outstanding at any one time. The size of the Programme may be increased in accordance with the terms of the Dealer Agreement.

<b>Distribution:</b>	Trust Certificates may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Denominations:</b>	<p>Subject as set out below, Trust Certificates may be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, as may be specified in the applicable Final Terms or the applicable Pricing Supplement (as the case may be).</p> <p>Trust Certificates which may be admitted to trading on the Market and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system situated or operating in a member state of the EEA or offered to the public in a member state of the EEA in circumstances which require the publication of a prospectus under the Prospectus Regulation, may not: (a) have a minimum denomination of less than €100,000 (or its equivalent in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs.</p>
<b>Issue Price:</b>	Trust Certificates may only be issued on a fully-paid basis and at an issue price which is at par.
<b>Final Terms and Pricing Supplement:</b>	Each Tranche will be the subject of Final Terms or a Pricing Supplement, as the case may be, which, for the purposes of that Tranche only, completes, or, in the case of Exempt Certificates, completes, supplements or modifies the Terms and Conditions of the Trust Certificates and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Trust Certificates are the Terms and Conditions of the Trust Certificates as completed by the applicable Final Terms or as completed, supplemented, modified, amended and/or replaced by the applicable Pricing Supplement, as the case may be.
<b>Currencies:</b>	Trust Certificates may be denominated in U.S.\$, euro or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. If so provided in the applicable Final Terms or Pricing Supplement, as the case may be, payments in respect of Trust Certificates may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Trust Certificates are denominated.
<b>Status:</b>	Each Trust Certificate will evidence an undivided beneficial ownership interest of the Certificateholders in the Trust Assets of the relevant Series and will be limited recourse obligations of the Trustee and will rank <i>pari passu</i> , without any preference or priority, with all other present and future Trust Certificates issued under the Programme.

**Guarantee:**

Pursuant to the Guarantee, the IsDB has guaranteed the punctual performance of any and all payment obligations arising or falling due under or in respect of the assets constituting the Portfolio relating to the relevant Series of Trust Certificates. Further, the IsDB has agreed in the Guarantee that if, on a day falling three Business Days prior to a Periodic Distribution Date in respect of the relevant Series of Trust Certificates, there is a shortfall between the profit amounts received in respect of the assets constituting the relevant Portfolio and the Periodic Distribution Amounts due to Certificateholders on the relevant Periodic Distribution Date (including any additional amounts required to be paid in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*)), it will pay to the relevant Trustee the amount of such shortfall. See "*Summary of the Principal Programme Documents*". For the avoidance of doubt, the Guarantor shall confirm in a certificate given on each separate issue of a Tranche of Trust Certificates that the guarantee, undertakings and indemnity (as set out in the Guarantee) shall extend to the portfolio in respect of such Tranche (the **Guarantor Certificate**).

**Form and Delivery of the Trust Certificates:**

Trust Certificates will be issued in registered form only, initially (unless otherwise specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be) in the form of a permanent Global Trust Certificate which will be: (i) deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg or such other depositary as may be specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be; or (ii) held under the NSS, in which case the Global Trust Certificate will be delivered to, and registered in the name of a nominee of, a common safekeeper for Euroclear and Clearstream, Luxembourg. Only in exceptional circumstances or unless otherwise specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, will individual registered trust certificates (**Individual Trust Certificates**) evidencing holdings of trust certificates be issued in exchange for the relevant Global Trust Certificate. See "*Form of Trust Certificates*" below.

**Clearance and Settlement:**

Interests in the Trust Certificates will be held through Euroclear or Clearstream, Luxembourg or any other clearing system as may be specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be. Transfers within Euroclear or Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system. See "*Form of Trust Certificates*" below.

**Maturities:**

Trust Certificates with a final Maturity Date of less than one year will not be issued under the Programme. Subject to the foregoing, Trust Certificates may be issued with any maturity, subject, in relation to specific currencies, to compliance with all

applicable legal and/or regulatory and/or central bank requirements.

**Periodic Distributions:**

Certificateholders are entitled to receive Periodic Distribution Amounts (as defined in the Terms and Conditions) calculated on the basis specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, applicable to the relevant Tranche of Trust Certificates. Profit received in respect of the Portfolio of each Series of Trust Certificates will, after paying the expenses of the relevant Trust, be applied to make Periodic Distributions in respect of such Series of Trust Certificates on the relevant Periodic Distribution Date(s), as more particularly described in the Terms and Conditions. On the relevant Dissolution Date, if the amounts collected by the IsDB as Wakeel in respect of the Portfolio are in excess of the Periodic Distribution Amounts payable by the relevant Trustee to the Certificateholders of the relevant Series of Trust Certificates on the relevant corresponding final Periodic Distribution Date, the IsDB shall retain such excess, in accordance with the Wakala Agreement, as an incentive fee for the performance of its services as Wakeel.

**Benchmark Replacement:**

On the occurrence of a Benchmark Event the relevant Issuer shall use its reasonable endeavours to appoint an Independent Adviser to determine a Successor Rate failing which an Alternative Rate to be used in place of the original Reference Rate. An Adjustment Spread may also be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate as the case may be.

**Redemption of Trust Certificates:**

Trust Certificates shall be redeemed at the Final Dissolution Amount as may be specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be.

**Early Dissolution of the Trust:**

Other than as a result of the occurrence of a Dissolution Event or as a result of an Optional Dissolution (as described below), the Trust will not be subject to dissolution and the relevant Trust Certificates will not be redeemed prior to the Maturity Date (as defined in the applicable Final Terms or the applicable Pricing Supplement, as the case may be).

**Dissolution Events:**

Upon the occurrence of any Dissolution Event, the Trust Certificates may be redeemed on the Dissolution Date at the Final Dissolution Amount as may be specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be. See Condition 14 (*Dissolution Events*).

**Optional Dissolution:**

If so specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, a Series of Trust Certificates may be dissolved prior to its scheduled dissolution in the circumstances set out in Condition 11.2 (*Early Dissolution for Tax Reasons*) and Condition 11.3 (*Dissolution at the Option of the Trustee*).

<b>Withholding Tax:</b>	All payments in respect of Trust Certificates by a Trustee shall be made without withholding or deduction for, or on account of, any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction (as such term is defined in the Terms and Conditions). In the event that any such withholding or deduction is made, the relevant Trustee will, save in the limited circumstances provided in Condition 12 ( <i>Taxation</i> ), be required to pay additional amounts so that the holders of the Trust Certificates will receive the full amounts that they would have received in the absence of such withholding or deduction.
<b>Programme Documents:</b>	The Master Purchase Agreement, the Master Trust Deed, the Master Wakala Agreement, the Purchase Undertaking Deed, the Sale Undertaking Deed, the Additional Portfolio Assets Sale Undertaking Deed, the Guarantee, the Agency Agreement, the Dealer Agreement, the Corporate Services Agreement and the Management and Administration Agreement.
<b>Transaction Documents:</b>	In respect of each Tranche of Trust Certificates, any Supplemental Wakala Agreement, any Supplemental Purchase Agreement, any Supplemental Trust Deed, any IsDB Purchase Agreement, any Sale Agreement, any Additional Portfolio Assets Sale Agreement and Guarantor Certificate and any Relevant Agreement (as defined in the Dealer Agreement).
<b>Governing Law and Dispute Resolution:</b>	<p>The Programme Documents (with the exception of the Corporate Services Agreement and the Management and Administration Agreement) will be governed by English law. The Corporate Services Agreement will be governed by the laws of Jersey and the Management and Administration Agreement will be governed by the laws of the Grand-Duchy of Luxembourg. The Transaction Documents (with the exception of the Relevant Agreement) will be governed by English law. The Relevant Agreement will be governed by the law stated therein.</p> <p>In respect of any dispute under such agreement or deed to which it is a party (with the exception of the Corporate Services Agreement and the Management and Administration Agreement), the Trustees and the IsDB have agreed to submit to arbitration in London under the London Court of International Arbitration rules (the <b>LCIA Rules</b>). The IsDB has also agreed to submit to the jurisdiction of the courts of England (the <b>English Courts</b>) at the option of the Delegate, the Certificateholders, the Agents or the relevant Trustee(s), as the case may be, in respect of any dispute under the Programme Documents (with the exception of the Corporate Services Agreement and the Management and Administration Agreement) and the Transaction Documents, subject to the right of the Delegate, the Certificateholders, the Agents or the</p>



relevant Trustee(s), as the case may be, to require any dispute to be resolved by any other court of competent jurisdiction.

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Trust Certificates and on the distribution of offering material in the United States, the European Economic Area, the United Kingdom, the United Arab Emirates (excluding the DIFC), the DIFC, the KSA, Jersey, Luxembourg, Hong Kong, Singapore, Qatar (including the Qatar Financial Centre), Bahrain and the ROC, see "*Subscription and Sale*" below.

**United States Selling Restrictions:**

Regulation S, Category 2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Final Terms (or applicable Pricing Supplement, in the case of Exempt Trust Certificates).

**Covenants:**

Each Trustee has agreed to certain restrictive covenants in the Master Trust Deed, as more fully set out in Condition 6 (*Covenants*).

**Cross Default:**

None.

**Limited Recourse:**

Each Trust Certificate of a particular Series will represent an undivided beneficial ownership interest in the Trust Assets for such Series. No payment of any amount whatsoever shall be made in respect of the Trust 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 relevant Trustee (other than the relevant Trust Assets) or the IsDB (to the extent that it fulfils all of its obligations under the Programme Documents and the Transaction Documents to which it is a party) or the Delegate or any Agent 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 relevant Trustee and the IsDB shall be extinguished.

## **RISK FACTORS**

*The purchase of Trust Certificates may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and merits of an investment in the Trust Certificates. Before making an investment decision, prospective purchasers of Trust Certificates should consider carefully, in the light of their own financial circumstances and investment objectives, all of the information in this Base Prospectus. The following is a description of principal risk factors that each of the Trustees and the IsDB believes: (a) may affect a Trustee's ability to fulfil its obligations under the Trust Certificates to prospective Certificateholders; and (b) are material for the purpose of assessing the market risk associated with the Trust Certificates. The Trustees and the IsDB believe that the factors described below represent the principal risks inherent in investing in Trust Certificates issued under the Programme, but the inability of a Trustee to pay any amounts due on or in connection with any Trust Certificates may occur for other reasons and neither Trustee nor the IsDB represents that the statements below regarding the risks of holding any Trust Certificates are exhaustive. There may also be other considerations, including some which may not be presently known to the Trustees or the IsDB or which the Trustees or the IsDB currently deems immaterial, that may impact any investment in Trust Certificates.*

*Prospective investors should read the entire Base Prospectus and reach their own view prior to making any investment decision. Words and expressions defined in the "Terms and Conditions of the Trust Certificates" below or elsewhere in this Base Prospectus have the same meanings in this section.*

### **Risk factor relating to the Trustees**

*Each Trustee is a special purpose company*

IDB Trust Services Limited is a special purpose company in the form of a limited par value company pursuant to the Companies (Jersey) Law 1991 incorporated on 17 February 2005, and IsDB Trust Services No.2 SARL is a private limited liability company ("*société à responsabilité limitée*") incorporated under the laws of the Grand-Duchy of Luxembourg. The only material assets of each Trustee, which will be held on trust for Certificateholders, will be the Trust Assets relating to each series of Trust Certificates issued by it and the obligation of the IsDB to make payments under the Transaction Documents to the relevant Trustee. Therefore, each Trustee is subject to all risks to which the IsDB is subject to the extent that such risks could limit the IsDB's ability to satisfy in full and on a timely basis its obligations under the Programme Documents and the Transaction Documents to which it is a party. See "*Risk Factors relating to the IsDB*" below for a further description of these risks. Each of the Trustees does not engage in any business activity other than the issuance of the Trust Certificates and the acquisition of the Portfolio as described herein and other activities incidental or related to the foregoing.

### **Risk factors relating to the IsDB**

In the course of its business activities, the IsDB is exposed to a variety of risks, the most significant of which are set out below. Whilst the IsDB believes it has implemented the appropriate policies, systems and processes to control and mitigate these risks, investors should note that any failure to adequately control these risks could be greater than anticipated and which could result in adverse effects on the IsDB's business, financial condition, results of operations, prospects and/or reputation.

*The IsDB is subject to political and economic conditions in Member Countries*

The IsDB currently has all of its operations and projects in its Member Countries and plans to continue to have all of its future operations and projects in Member Countries. While most Member Countries have generally historically experienced a relatively stable political environment, certain other Member Countries have not. In particular, since early 2011 there has been political unrest in a range of countries in Eastern Europe, the MENA region, including Algeria, Bahrain, Iraq, Lebanon, Libya, Nigeria, Oman,

Saudi Arabia, Sudan, Syria, Turkey and Yemen, all of which are Member Countries. This unrest has ranged from public demonstrations to the collapse of political regimes in Tunisia, Egypt and Libya, as well as a *coup d'état* attempt on the Turkish government, and has, in extreme cases, resulted in armed conflict and civil war, including in Iraq and ongoing conflicts in Syria, Libya and Yemen. It has also given rise to significantly increased political uncertainty across the region.

In 2017, three GCC countries, namely the KSA, the UAE, and Bahrain, together with other states in the MENA region, such as Egypt, cut diplomatic ties, trade, and transport links with Qatar. In January 2021, the KSA, the UAE, Bahrain and Egypt restored full diplomatic relations with Qatar and re-opened trade and transport links.

There has also previously been an escalation of tension in the Gulf region following attacks on a number of oil tankers in the Strait of Hormuz. A further deterioration has the potential to adversely affect regional security, as well as global oil and gas prices, in addition to the effect on the economies of the Member Countries involved.

Currently 19 Member Countries are experiencing varying degrees of fragility and conflict. Due to the fact that a substantial proportion of IsDB's operations in Member Countries to date mainly consists of sovereign lending, the IsDB's business has not been materially adversely affected by the instability in these Member Countries. However, there can be no assurance that the IsDB's business and results of operations will not be adversely affected by economic and political conditions in Member Countries in the future, especially in view of the effect that such political, economic and related developments, both within and outside Member Countries, may have on global financial markets.

The Covid-19 pandemic and the lockdown measures taken across the world to stop its spread have had a devastating impact on growth and macroeconomic stability. Global economic growth declined by 3.1 per cent. in 2020 (source: *IMF World Economic Outlook, January 2022 Update*), featuring the most severe recession in several decades. Despite a firm rebound in global economic activity in 2021, recovery is still partial and uncertain. Average growth in IsDB's Member Countries is forecasted at 4.6 per cent. in 2021 and 2022, following a contraction of 1.7 per cent. in 2020. Fuel-exporters, especially in the MENA region, experienced the deepest recession with a decline of approximately 6.5 per cent. in 2020. Global and regional economic outlooks are subject to major risks, including delays in the distribution and administration of Covid-19 vaccinations, new virus mutations, premature withdrawal of policy support and volatile oil prices. The impact of these risks could be compounded by a tightening of financial policy measures against the backdrop of increased debt vulnerabilities and rising inflation. Such risks are heightened by the recent conflict between Russia and Ukraine, which has exacerbated global commodity price volatility and triggered new global economic and financial turmoil.

The economies of many Member Countries are dependent on oil and gas and related industries, as well as the prices and production quantities of these commodities. Oil prices have, however, been volatile in recent years, which has impacted the economic growth of many Member Countries. Oil prices decreased significantly from July 2014 (when the monthly average price of the OPEC reference basket was U.S.\$105.61) to January 2016 (when the monthly average price of the OPEC reference basket was U.S.\$26.50) (source: OPEC website). The fluctuations have continued since then, with oil prices being significantly affected during the Covid-19 pandemic, as evidenced in April 2020 when the May 2020 futures contract price per barrel of West Texas Intermediate (WTI) oil briefly fell below zero in response to storage capacity concerns. Reflecting the recent conflict affecting Ukraine, the OPEC Reference Basket monthly average price rose to \$113.48 in March 2022 and oil prices continue to fluctuate significantly.

Investors in emerging markets should be aware that these markets are subject to greater risks than more developed markets, including in some cases significant legal, economic and political risks. Accordingly,

investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

#### *Credit risks*

Credit risk is the main risk exposure of the IsDB, given extending financing is the key business activity of the IsDB. The largest portion of IsDB's financing portfolio is extended to sovereigns or carries sovereign guarantees whilst the remainder of the portfolio consists of mainly: (a) public private partnership (PPP) financing operations, where the off-takers' obligations are usually backed by the guarantee of the concerned sovereign; and (b) financing operations that carry guarantees from banks that are acceptable to the IsDB. The IsDB is also exposed to the credit risk arising from its placements of liquid funds with banks and financial institutions globally. Credit risks arising from adverse changes in the credit quality and recoverability of loans, advances and amounts due from counterparties are inherent as part of the IsDB's activities. Credit risks could arise from a deterioration in the credit quality of specific counterparties of the IsDB, from a general deterioration in local or global economic conditions or from systemic risks with the financial systems, all of which could affect the recoverability and value of the IsDB's assets and require an increase in the IsDB's provisions for the impairment of its assets and other credit exposures.

#### *Mark-up risk*

The IsDB is exposed to mark-up risk on its investments in cash and cash equivalents, commodity placements, Murabaha financing, Istisna'a assets, Ijarah assets, instalment sale assets, investments in sukuk and sukuk liabilities. In respect of the financial assets, the IsDB's returns are based on a benchmark and hence vary according to the market conditions. The IsDB has adopted the CME Term SOFR Reference Rates (administered by CME Group Benchmark Administration Limited) and the SOFR-based mid-swap rate as a benchmark to determine the mark-up rate on its financing. The ultimate mark-up rate on financings is determined after adding a margin to the relevant benchmark rate. The IsDB attempts to manage mark-up risk through Shari'a compliant hedging arrangements, such as fixed-floating rate swaps. There can be no assurance that the IsDB can at all times fully manage mark-up risks so as to entirely eliminate mark-up risks. Such mark-up risks may have a material adverse effect on the business, financial position, results of operations and/or prospects of the IsDB. Similar to industry peers, the IsDB is taking measures towards transitioning to alternative benchmark rates.

#### *Equity and capital impairment risk*

The IsDB is exposed to equity and capital impairment risks arising from equity investments. Equity investments are generally held for strategic rather than trading purposes. The IsDB does not actively trade in equity investments and so equity investments are generally classified as fair value through Members' equity. That said, the IsDB may be subject to capital impairment risk arising from holding such equity investments. For equity investments that are accounted for on fair value through Members' equity basis, the IsDB is exposed to equity price risk. There can be no assurance that the IsDB will be able to liquidate its equity holdings at a price which is not substantially lower than that which the IsDB paid for such equity investments so as to entirely eliminate capital impairment risk. Any such capital impairment may have a material adverse effect on the business, financial position, results of operations and/or prospects of the IsDB.

#### *Liquidity risks*

Liquidity risks could arise from the inability of the IsDB to anticipate and provide for unforeseen decreases or changes in funding sources which could have adverse consequences on the IsDB's ability

to meet its obligations when they fall due. The IsDB aims to adopt a conservative liquidity management approach by maintaining sufficient levels invested in cash, cash equivalents, commodity placements and Murabaha financing with short-term maturities of three to twelve months. A major feature of this liquidity management policy is to place the IsDB's liquid funds with banks in both Member Countries and non-Member Countries in a Shari'a compliant manner. The IsDB has in place comprehensive guidelines regarding how the placement of liquid funds should be managed which assigns: (i) minimum ratings, (ii) country limits and (iii) single counterparty limits.

#### *Exchange rate risk*

Exchange rate risk arises from the possibility that changes in foreign exchange rates will affect the value of the financial assets and liabilities denominated in foreign currencies, in case the IsDB does not hedge its currency exposure by means of hedging instruments. Since most of the IsDB's financing operations are denominated in SDR (the reporting currency) and/or SDR component currencies, the IsDB is naturally hedged against this currency exposure. IsDB is not exposed to currency transaction risk, however it is exposed to translation risk, which is hedged through the currency alignment the IsDB endeavours to maintain. The IsDB's investment portfolio is held in major currencies in line with the composition of the Islamic Dinar basket, namely the U.S. Dollar, Sterling, euro and Japanese Yen. While currency risk is managed by the IsDB, there can be no assurance that the exchange rate risk may not have a material adverse effect on the business, financial position, results of operations and/or prospects of the IsDB in the future.

### **Risk factors relating to the Trust Certificates**

#### *Absence of secondary market / limited liquidity*

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

#### *Liability under the Trust Certificates*

The Trust Certificates will represent entitlements solely to the Trust Assets of the relevant Series. In particular, the Trust Certificates will not be obligations or responsibilities of, or guaranteed by, any of the Delegate, the Principal Paying Agent or any Dealer. None of these persons shall accept any liability whatsoever to any Certificateholders in respect of any failure by a Trustee to pay any amount due under the relevant Trust Certificates.

The ability of a Trustee to pay amounts due in respect of the Trust Certificates will be primarily dependent upon the receipt by that Trustee of all amounts due in respect of the Portfolio of the relevant Series of Trust Certificates (which may not be sufficient to meet all claims under the Trust Certificates, the Programme Documents and relevant Transaction Documents) and ultimately upon the IsDB fulfilling its obligations under the Purchase Undertaking Deed (and relevant IsDB Purchase Agreement), its obligations under the Guarantee and the Master Trust Deed (and relevant Supplemental Trust Deed) to make payments to, and indemnify, such Trustee and its obligations under the Programme Documents and the Transaction Documents to which the IsDB is a party.

#### *The Trust Certificates are Limited Recourse Obligations*

Trust Certificates issued under the Programme are not debt obligations of the Trustees. Instead, the Trust Certificates represent an undivided beneficial ownership interest in the relevant Trust Assets. Recourse to the relevant Trustee in respect of each Series of Trust Certificates therefore is limited to the Trust Assets of that relevant Series of Trust Certificates and the proceeds of such Trust Assets are the primary source of payments on the relevant Series of Trust Certificates. Following a Dissolution Event, or early dissolution pursuant to Condition 11.2 (*Early Dissolution for Tax Reasons*) or Condition 11.3 (*Dissolution at the Option of the Trustee*), the sole rights of each of the relevant Trustee, the Delegate and the Certificateholders of the relevant Series of Trust Certificates will be against the IsDB to pay the Exercise Price in respect of such Series together with any amounts due to such Trustee pursuant to the Guarantee, the Master Trust Deed and the relevant Supplemental Trust Deed. Certificateholders will otherwise have no recourse to any assets of the Delegate, the IsDB, the Dealers or the Agents or any affiliate of any of the foregoing entities in respect of any shortfall in the expected amounts due under the relevant Trust Assets. The IsDB is obliged to make its payments under the Purchase Undertaking Deed and the relevant IsDB Purchase Agreement or other Programme Documents or Transaction Documents to which IsDB is a party (including the Master Trust Deed and the relevant Supplemental Trust Deed), and to issue a Guarantee (in respect of payment obligations relating to the assets constituting the Portfolio of the relevant Series of Trust Certificates) in favour of the relevant Trustee.

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

In the event that the amount payable on the Trust Certificates is required to be increased to include additional amounts in certain circumstances and/or the IsDB is required to pay additional amounts pursuant to certain Transaction Documents or Programme Documents, in each case as a result of certain changes affecting taxation in the KSA, Jersey or Luxembourg, as the case may be, or, in each case, any political subdivision or any authority thereof or therein having power to tax, the relevant Trustee may redeem all but not some only of the Trust Certificates upon giving notice in accordance with the Terms and Conditions of the Trust Certificates. See Condition 11.2 (*Early Dissolution for Tax Reasons*).

#### *Credit ratings*

Trust Certificates issued under the Programme may be rated. Where an issue of Trust Certificates is rated, such rating will not necessarily be the same as the rating assigned to other Series of Trust Certificates issued pursuant to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Trust Certificates issued under the Programme.

#### *Price variations in Shares and Sukuk*

The market price of the Trust Certificates is expected to be affected by fluctuations in the market price of any Shares and/or Sukuk included among the Portfolio, and it is impossible to predict whether the price of any such Shares and/or Sukuk will rise or fall. Trading prices of the Shares and Sukuk will be influenced by, among other things, the financial position of the issuer of such Shares or Sukuk, the results of its operations and political, economic, financial and other factors. Any decline in the price of such Shares and/or Sukuk may have an adverse effect on the market price of the Trust Certificates.

Notwithstanding the foregoing, on the Dissolution Date of any Series, the Portfolio will be purchased as a single portfolio of assets by the IsDB at an aggregate price that is equal to the original sale price of the Portfolio originally sold by the IsDB to the relevant Trustee on the Issue Date of the relevant Series.

#### *Risks related to Trust Certificates which are linked to "benchmarks"*

The Euro Interbank Offered Rate (**EURIBOR**) and other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of national and international regulatory guidance

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 Trust Certificates linked to or referencing such "benchmark".

On 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates had been mandated with implementing a broadbased transition to the Sterling Overnight Index Average (**SONIA**) over the next four years across sterling bond, loan and derivative markets, so that SONIA was established as the primary sterling interest rate benchmark by the end of 2021.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk-free overnight rate" to serve as a basis for an alternative to benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on euro risk-free rates recommended the Euro Short-Term Rate (**€STR**) as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

The 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.

The Benchmarks Regulation could have a material impact on any Trust 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 Benchmarks Regulation. 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 "benchmark". In addition, the Benchmarks Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith.

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. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead 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 Trust Certificates linked to or referencing a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Trust Certificates linked to or referencing a "benchmark".

Investors should be aware that, if any benchmark were discontinued or otherwise unavailable, amounts payable in respect of Floating Rate Trust Certificates which reference such benchmark will be determined for the relevant Return Accumulation Period by the fall-back provisions applicable to such

Trust Certificates set out in the Conditions. Depending on the manner in which the profit rate is to be determined under the Conditions, if Screen Rate Determination applies, this may result in the effective application of a fixed rate based on the rate which applied in the previous Return Accumulation Period when the relevant benchmark was available. This is because where Screen Rate Determination is specified as the manner in which the Rate in respect of Floating Rate Trust Certificates is to be determined, the Conditions provide that the Rate shall be determined by reference to the Relevant Screen Page. In circumstances where the relevant Reference Rate is discontinued, neither the Relevant Screen Page, nor any successor or replacement may be available. In such circumstances, the Conditions provide for the Rate to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent. Where such quotations are not available (as may be the case if the relevant banks are not submitting rates for the determination of such Reference Rate), the Rate may ultimately revert to the Rate applicable as at the last preceding Periodic Distribution Determination Date before the relevant Reference Rate was discontinued. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Trust Certificates which reference a benchmark.

If a Benchmark Event (as defined in the Conditions) occurs, there is a possibility that the profit rate could alternatively be set by an Independent Adviser (without a requirement for the consent or approval of Certificateholders) by reference to a Successor Rate or an Alternative Reference Rate and that such Successor Rate or Alternative Reference Rate may be adjusted (if required) in order to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. The consent of the Certificateholders shall not be required in connection with effecting a Successor Rate or an Alternative Reference Rate (as applicable) and/or (in either case) an Adjustment Spread or such other changes, including for the execution of any documents or other steps by the Delegate, the Principal Paying Agent or the Calculation Agent. The relevant Issuer shall promptly, following the determination of any successor rate, give notice thereof to the Principal Paying Agent and the Certificateholders, which shall specify the effective date(s) for such successor rate or alternative rate and any consequential changes made to the Conditions.

The IsDB may be unable to appoint an Independent Adviser or the Independent Adviser appointed by the IsDB may fail to determine the Successor Rate or failing which the Alternative Rate, in which case the Rate applicable to Return Accumulation Period shall be equal to the Rate last determined in relation to the Trust Certificates in respect of the immediately preceding Return Accumulation Period (or alternatively, if there has not been a first Periodic Distribution Date, the profit rate shall be the initial Rate), or the Rate applicable as at the last preceding Periodic Distribution Determination Date before the occurrence of the Benchmark Event is likely to result in Trust Certificates linked to or referencing the relevant Reference Rate performing differently (which may include payment of a lower Rate) than they would do if the relevant Reference Rate were to continue to apply, or if a Successor Rate or Alternative Rate could be determined. Any of the foregoing could have a material adverse effect on the value or liquidity of, and return on, any Floating Rate Trust Certificates which reference any such benchmark.

The above-mentioned risks related to benchmarks may also impact a wider range of benchmarks in the future. Investors in Floating Rate Trust Certificates which reference such other benchmarks should be mindful of the applicable fall-back provisions applicable to such Trust Certificates and the adverse effect this may have on the value or liquidity of, and return on, any Floating Rate Trust Certificates which reference any such benchmark.

*The market continues to develop in relation to risk-free rates which are possible reference rates for the Trust Certificates*

Investors should be aware that the market continues to develop in relation to risk-free rates such as SONIA, the Secured Overnight Financing Rate (SOFR) and €STR as reference rates in the capital markets for sterling, U.S. dollar or euro bonds, respectively, and their adoption as alternatives to the



relevant interbank offered rates. In addition, market participants and relevant working groups are exploring alternative reference rates based on risk-free rates, including term SONIA, SOFR and €STR reference rates (which seek to measure the market's forward expectation of an average SONIA rate, SOFR or €STR over a designated term).

The use of SONIA, SOFR and €STR as a reference rate for Eurobonds continues to develop both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates. In particular, investors should be aware that several different SOFR methodologies have been used in SOFR linked notes issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Conditions, will gain widespread market acceptance.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Trust Certificates that reference such risk-free rates issued under this Programme. The Issuers may in the future also issue Trust Certificates referencing SONIA, SOFR or €STR that differ materially in terms of profit determination when compared with any previous SONIA, SOFR or €STR referenced Trust Certificates issued by it under the Programme. The continued development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Trust Certificates that reference a risk-free rate issued under the Programme from time to time. In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Trust Certificates referencing such risk-free rates.

Investors should carefully consider these matters when making their investment decision with respect to any such Trust Certificates.

*Risk-free rates (including overnight rates) differ from EURIBOR in a number of material respects and have a limited history*

Risk-free rates may differ from EURIBOR or other interbank offered rates in a number of material respects, including (without limitation) by, in most cases, being backwards-looking, calculated on a compounded or weighted average basis and risk-free overnight rates, whereas interbank offered rates such as EURIBOR are generally expressed on the basis of a forward-looking term and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently as profit reference rates for the Trust Certificates. Furthermore, each of SONIA and SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to IBORs, each of which is an unsecured rate. For example, since the initial publication of SOFR, daily changes in SOFR have, on occasion, been more volatile than daily changes in other benchmark or market rates.

Profit on Trust Certificates which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Periodic Distribution Date. It may be difficult for investors in Trust Certificates which reference such risk-free rates to reliably estimate the amount of profit which will be payable on such Trust Certificates, and some investors may be unable or unwilling to trade such Trust Certificates without changes to their IT systems, both of which could adversely impact the liquidity of such Trust Certificates. Further, in contrast to EURIBOR-linked Trust Certificates, if Trust Certificates referencing backwards-looking SONIA, SOFR or €STR become due and payable under Condition 14 (*Dissolution Events*) or are otherwise redeemed early on a date which is not a Periodic Distribution Date, the final profit rate payable in respect of such Trust Certificates shall be determined by reference to a shortened period ending immediately prior to the date on which the Trust Certificates become due and payable or are scheduled for redemption.

The use of risk-free rates as a reference rate for Eurobonds is nascent, and may be subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such risk-free rates.

Trust Certificates referencing risk-free rates may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities referencing such risk-free rates, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Trust Certificates may be lower than those of subsequently issued indexed debt securities as a result. Further, if the relevant risk-free rates do not prove to be widely used in securities like the Trust Certificates, the trading price of such Trust Certificates linked to such risk-free rates may be lower than those of Trust Certificates referencing indices that are more widely used. Investors in such Trust Certificates may not be able to sell such Trust Certificates at all or may not be able to sell such Trust Certificates at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Investors should consider these matters when making their investment decision with respect to any Trust Certificates.

*The administrator of SONIA, SOFR or €STR may make changes that could change the value of SONIA, SOFR or €STR or discontinue SONIA, SOFR or €STR*

The Bank of England, The New York Federal Reserve (or a successor) or the European Central Bank, as administrator of SONIA, SOFR and €STR respectively, may make methodological or other changes that could change the value of SONIA, SOFR or €STR, including changes related to the method by which SONIA, SOFR or €STR is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR, or timing related to the publication of SONIA, SOFR or €STR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR (in which case a fallback method of determining the profit rate on the Trust Certificates will apply). The administrator has no obligation to consider the interests of Certificateholders when calculating, adjusting, converting, revising or discontinuing SONIA, SOFR or €STR.

*The use of proceeds of the Trust Certificates may not meet investor expectations or requirements, including the expectations and requirements of environmentally or socially focused investors*

The use of proceeds of the Trust Certificates subsequently received by the IsDB may not meet investor expectations or requirements. The IsDB will exercise its judgement and sole discretion in determining the businesses and projects that will be financed by the proceeds of the Trust Certificates. If the use of the proceeds of the Trust Certificates is a factor in an investor's decision to invest in the Trust Certificates, they should consider the disclosure in "Use of Proceeds" in the applicable Final Terms or Pricing Supplement, as the case may be, prepared for each relevant Tranche of Trust Certificates, including any green trust certificates and sustainable trust certificates, and consult with their legal or other advisers before making an investment in the Trust Certificates. There can be no assurance that any of the businesses and projects funded with the proceeds from the Trust Certificates will meet the IsDB's Sustainable Finance Framework (see "Description of the IsDB—Sustainable Finance Framework") or an investor's expectations or requirements. Furthermore, there is no contractual obligation to investors to allocate the proceeds of the Trust Certificates to finance eligible businesses and projects or to provide annual progress reports. The IsDB's failure to so allocate or report the failure of any of the businesses and projects funded with the proceeds from the Trust Certificates to meet the IsDB's Sustainable Finance Framework will not constitute a Dissolution Event (as defined in the Terms and Conditions) with respect to the Trust Certificates and may affect the value and/or the trading price of the Trust Certificates and/or have adverse consequences for certain investors with portfolio mandates to invest in green, social or sustainable assets.

Furthermore, it should be noted that there is currently no clearly-defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "social" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", "social" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors (whether by the Trustees, the Arranger, the Dealers, the Delegate, the Agents or any other person) that any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from the Trust Certificates will meet any or all investor expectations regarding such "green", "social", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any of the businesses and projects funded with the proceeds from the Trust Certificates.

No assurance or representation is given by any party as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the IsDB) which may be made available in connection with the issue of the Trust Certificates and in particular with any of the businesses and projects funded with the proceeds from the Trust Certificates to fulfil any environmental, sustainable, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Trustees, the Arranger, the Dealers, the Delegate, the Agents or any other person to buy, sell or hold the Trust Certificates. Any such opinion or certification is only current as at the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Trust Certificates. The providers of such opinions and certifications are not currently subject to any specific regulatory or other regime or oversight.

If the Trust Certificates are at any time listed or admitted to trading on any dedicated "green", "environmental", "social", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the relevant Trustee, the Arranger, the Dealers, the Delegate, the Agents or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements regarding any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own bylaws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainable or social impact of any projects or uses, the subject of or related to, any of the businesses and projects funded with the proceeds from the Trust Certificates. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the relevant Trustee, the Arranger, the Dealers, the Delegate, the Agents or any other person that any such listing or admission to trading will be obtained in respect of the Trust Certificates or, if obtained, that any such listing or admission to trading will be maintained during the life of the Trust Certificates.

## **Risk factors relating to the Portfolio**

### *Liability attaching to owners of assets*

In order to comply with the requirements of Shari'a, the interests in the constituent assets comprised in the Portfolio should pass to the relevant Issuer under the Master Purchase Agreement, the relevant Supplemental Purchase Agreement(s) and the relevant Additional Portfolio Assets Sale Agreement(s). The relevant Trustee will declare a trust in respect of the Trust Assets in favour of Certificateholders pursuant to a Trust Deed. Accordingly, Certificateholders will have beneficial ownership interests in the relevant constituent assets comprised in the Portfolio unless transfer of such constituent assets comprised in the Portfolio is prohibited by, or ineffective under, any applicable law. However, to the extent that a

third party is able to establish a direct claim against the relevant Trustee or any Certificateholders on the basis of a legal or beneficial ownership in any of the constituent assets comprised in the Portfolio, the IsDB has agreed in the Master Trust Deed to indemnify the relevant Trustee and Certificateholders against any such liabilities. In the event that the IsDB is unable to meet any such claims then Certificateholders may suffer losses in excess of the original nominal amount invested.

### *The Portfolio*

Prior to making the selection of the assets constituent in the Portfolio, the IsDB will conduct an assessment of historical data relating to the performance of different classes of assets in general but limited investigation and enquiry will be made otherwise and no due diligence will be conducted in respect of any of the constituent assets comprised in the Portfolio. The assets comprised in the Portfolio of each Series of Trust Certificates will be separate and independent from all other assets of the IsDB. The constituent assets in the Portfolio shall be selected by the IsDB following the adoption of internal resolutions at the IsDB to segregate such assets for the purposes of the relevant Series of Trust Certificates and the Certificateholders shall have no ability to influence this selection. Only limited representations will be obtained from the IsDB in respect of the Portfolio of any Series of Trust Certificates. In particular, the precise terms of any of the constituent assets comprised in the Portfolio will not be known (including whether there are any restrictions on transfer or any further obligations required to be performed by the IsDB to give effect to the transfer of any of the relevant constituent assets comprised in the Portfolio). No steps will be taken to perfect any transfer of any of the relevant constituent assets comprised in the Portfolio or otherwise give notice of the transfer to any lessee or obligor in respect thereof. Obligors and lessees may have rights of set off or counterclaim against the IsDB in respect of such constituent assets comprised in the Portfolio. There can be no assurance that the actual revenues derived from the Portfolio will be such as to ensure that sufficient funds will be available to the relevant Trustee to make the payment of Periodic Distribution Amounts to Certificateholders in respect of the relevant Series of Trust Certificates. Investors may lose all or a substantial portion of their investment in the Trust Certificates if the Portfolio fails to generate the expected return, the quality of the assets constituting the Portfolio deteriorates and the IsDB fails to perform its obligations under the Purchase Undertaking, the Guarantee and the other Programme Documents and Transaction Documents to which it is, or will be, a party.

### *Transfer of the Portfolio*

No investigation has been or will be made as to whether any Portfolio or any constituent assets comprised therein may be transferred as a matter of the law governing the contracts underlying such constituent assets, the law of the jurisdiction where such assets are located or even the law where the obligors are situated. No investigation will be made to determine if the Master Purchase Agreement together with the relevant Supplemental Purchase Agreement(s) and the relevant Additional Portfolio Assets Sale Agreement(s) will have the effect of transferring any of the constituent assets comprised in the Portfolio of the relevant Series of Trust Certificates or any Additional Portfolio Assets. Accordingly, no assurance will be given that the relevant Portfolio will actually be transferred to the relevant Issuer.

In order to maintain the economic benefit of the proposed transfer, the Master Purchase Agreement provides that to the extent that the sale and purchase or transfer and assignment of any of the constituent assets comprised in the Portfolio is not effective in any jurisdiction for any reason, the IsDB agrees to either replace the relevant constituent assets with additional constituent assets or pay any and all amounts received by it in respect of the Portfolio to the relevant Trustee immediately upon receipt. Further, the IsDB has in the Master Purchase Agreement undertaken to hold any constituent assets comprised in the Portfolio (the interests in, legal title or benefit to which has not been effectively transferred to the relevant Issuer) on trust for the relevant Trustee. The IsDB (in the Master Purchase Agreement) has provided indemnities for, *inter alia*, any losses suffered as a result of any failure to transfer any constituent asset comprised in the Portfolio. Ultimately payments of amounts due in respect of the Trust Certificates will however be dependent on the IsDB fulfilling its obligations under the Purchase Undertaking Deed (and

the relevant IsDB Purchase Agreement) and its obligations under the Guarantee (and the Guarantee Confirmation) and the Master Trust Deed (and the relevant Supplemental Trust Deed(s)) to make payments to, and indemnify, the relevant Trustee its obligations under the Programme Documents and the Transaction Documents to which the IsDB is a party.

## **Pronouncement**

The IsDB Group Shariah Board (as defined herein) has issued a pronouncement in the Arabic language on 29 December 2017, which was supplemented on 12 December 2020 (together, the **Pronouncement**) that the structure and mechanism of the Programme Documents and the Transaction Documents are acceptable within the principles of Shari'a, as applicable to, and interpreted by, the IsDB Group Shariah Board, although English courts will not apply the principles of the Shari'a when interpreting such documents. Prospective Certificateholders and any prospective third parties distributing the Trust Certificates should understand that they may not rely on the Pronouncement in deciding whether to make an investment in the Trust Certificates and should consult their own Shari'a advisers as to whether the proposed transaction meets their respective Shari'a requirements. None of the Dealers, the Agents or the Delegate makes any representation as to the Shari'a compliance of the Programme or the Trust Certificates. At the time of each issue of Trust Certificates under the Programme, the IsDB will represent that the then current Pronouncement remains in force. In addition, the IsDB has in the Dealer Agreement covenanted that if there is any change in, or if any change is proposed to, the current Pronouncement, it will properly inform the Dealers.

## **Risk factors relating to payments**

### *Periodic Distribution Amounts*

It is expected that the rate of return of the Portfolio of each Series of Trust Certificates will exceed the relevant Periodic Distribution Amounts due in respect of the corresponding Series of Trust Certificates. In that case, any such excess will be retained by the IsDB as an incentive fee (the **Incentive Fee**) in accordance with the Wakala Agreement. It is expected that until the Trust Certificates of the relevant Series are redeemed in full, the relevant Trustee will receive principal collections in respect of the relevant Portfolio and that such amounts will be invested in purchasing Additional Portfolio Assets (comprising: (i) tangible assets only, consisting of Leased Assets, Disbursing Istisna'a Assets, Shares, Sukuk and/or Restricted Mudaraba Assets, (ii) sub-participation interests of the relevant Trustee (which shall be managed by the IsDB for and on behalf of such Trustee) in Istisna'a or Murabaha financing activities or investments in Murabaha Receivables, Commodity Murabaha (Tawarruq) Receivables, Loan (Qard) Receivables or Istisna'a Receivables chosen by the IsDB in its absolute discretion and/or (iii) a new Portfolio) or as otherwise specified in the Wakala Agreement, as the case may be.

However, there is no assurance that such principal collections will be so invested nor any assurance that the profit generated by any such Additional Portfolio Assets will be sufficient to ensure that the relevant Trustee will have sufficient profit collections to pay Periodic Distribution Amounts in respect of any Series of Trust Certificates. To mitigate this risk, the IsDB has on the date hereof issued in favour of each Trustee a Guarantee pursuant to which the IsDB guarantees the punctual performance of any and all payment obligations arising or falling due under or in respect of the assets constituting the Portfolio relating to the relevant Series of Trust Certificates (the **Guaranteed Obligations**). The amounts received by a Trustee in respect of the Guaranteed Obligations, are expected, together with all other amounts received by that Trustee under the Guarantee, to be sufficient to enable that Trustee to make timely payment of Periodic Distribution Amounts (including any additional amounts required to be paid in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*)) to Certificateholders.

### *Credit risk in respect of constituent assets*

The relevant Trustee is subject to the risk of default in payment by the obligors under each of the Leased Assets, Restricted Mudaraba Assets, Disbursing Istisna'a Assets, Loan (Qard) Receivables, Commodity Murabaha (Tawarruq) Receivables, Murabaha Receivables, Istisna'a Receivables and/or Sukuk comprised in any Portfolio and the risk that the issuer of the Shares becomes insolvent. This risk is addressed in respect of the Trust Certificates by the IsDB, primarily pursuant to a combination of the Guarantee and the Purchase Undertaking Deed (and the relevant IsDB Purchase Agreement). Pursuant to the Guarantee, the IsDB has guaranteed the punctual performance of any and all payment obligations arising or falling due under or in respect of the assets constituting the Portfolio relating to the relevant Series of Trust Certificates which, together with all other amounts received by the relevant Trustee under the Guarantee, is expected will enable such Trustee to make timely payment of profit amounts due to Certificateholders under the Trust Certificates (including any additional amounts required to be paid in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*)). To the extent that there is a shortfall between the profit amounts received in respect of the assets constituting the relevant Portfolio and the Periodic Distribution Amounts due to Certificateholders on the relevant Periodic Distribution Date (including any additional amounts required to be paid in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*)), the IsDB has undertaken to pay to the relevant Trustee the amount of such shortfall. Furthermore, the Exercise Price payable by the IsDB in respect of any Portfolio under the Purchase Undertaking Deed (and to be specified in the relevant IsDB Purchase Agreement) will be based on: (a) the Aggregate Nominal Amount (specified in the applicable Final Terms or the applicable Pricing Supplement(s), as the case may be) of the relevant Series of Trust Certificates, and (b) the amount of accrued but unpaid Periodic Distribution Amounts on such date (including any additional amounts payable pursuant to Condition 12 (*Taxation*)).

#### *Currency risk*

The payments made by obligors in respect of the constituent assets comprised in any Portfolio may be calculated by reference to a schedule denominated in a variety of currencies, including Islamic Dinars (the **relevant currency**) though the actual payments may be made in a currency selected by the obligor. In addition, the relevant currency applicable to dividend and other payments made on Shares included in any Portfolio may be different from the Specified Currency (as defined in the applicable Final Terms or the applicable Pricing Supplement, as the case may be). Accordingly, in the event of changes in the rate of exchange between the Specified Currency of the relevant Series of Trust Certificates and the relevant currency or in the rate between the relevant currency and the currency in which the obligor makes payments, there could be a shortfall in the amounts available to pay principal and profit in respect of the Trust Certificates. To mitigate this risk, the IsDB will prepare a schedule of payments in the Specified Currency in respect of the Portfolio of the relevant Series of Trust Certificates. In addition, the IsDB has guaranteed the punctual performance of any and all payment obligations arising or falling due under or in respect of the assets constituting the Portfolio relating to the relevant Series of Trust Certificates to allow timely payment of profit amounts due to Certificateholders under the Trust Certificates (including any additional amounts required to be paid in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*)). To the extent that there is a shortfall between the profit amounts received in respect of the assets constituting the relevant Portfolio and the Periodic Distribution Amounts due to Certificateholders on the relevant Periodic Distribution Date (including any additional amounts required to be paid in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*)), the IsDB has undertaken to pay to the relevant Trustee the amount of such shortfall. Furthermore, the Exercise Price payable by the IsDB in respect of any Portfolio under the Purchase Undertaking Deed (and to be specified in the relevant IsDB Purchase Agreement) will be based on: (a) the Aggregate Nominal Amount (specified in the applicable Final Terms or the applicable Pricing Supplement(s), as the case may be) of the relevant Series of Trust Certificates, and (b) the amount of accrued but unpaid Periodic Distribution Amounts on such date (including any additional amounts payable pursuant to Condition 12 (*Taxation*)).

#### **Risk factors relating to taxation**

### *Taxation risks on payments*

Payments made by the IsDB to a Trustee under the Transaction Documents or by a Trustee in respect of the Trust Certificates could become subject to taxation. Condition 12 (*Taxation*) provides that the relevant Trustee is required to gross-up for any such withholdings or deductions imposed by Jersey, the Grand-Duchy of Luxembourg and any Member Country in certain circumstances (management of the IsDB believe that the circumstances in which a Member Country may impose withholding or deductions are rare). In the event that the relevant Trustee fails to gross-up for any such withholding or deduction on payments due in respect of the Trust Certificates to Certificateholders the IsDB has, pursuant to the Master Trust Deed and the Guarantee, unconditionally and irrevocably undertaken (irrespective of the payment of any fee), as a continuing obligation, to pay to such Trustee (for the benefit of the Certificateholders) the liabilities of such Trustee in respect of any and all additional amounts required to be paid in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*) in respect of any withholding or deduction in respect of any tax as set out in that Condition.

In the event that any withholding or deduction for or on account of taxes is imposed or is otherwise applicable to payments of principal or profit on the Trust Certificates to Certificateholders the relevant Trustee and the IsDB are obliged to pay additional amounts to cover the amounts so deducted to Certificateholders, save in the limited circumstances set out in Condition 12 (*Taxation*). For the avoidance of doubt, neither the Delegate nor the Principal Paying Agent nor any other person is obliged to gross-up or otherwise compensate Certificateholders for any lesser amounts that Certificateholders may receive as a result of such withholding or deduction.

### *Payments on the Trust Certificates may be subject to U.S. withholding tax under FATCA*

The United States has enacted the Foreign Account Tax Compliance Act (**FATCA**), that generally imposes a new reporting and withholding regime with respect to certain payments made after 31 December 2016 by entities that are classified as financial institutions under FATCA. Whilst the Trustees do not expect payments made on or with respect to the Trust Certificates to be subject to withholding under FATCA, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Trust Certificates in the future. Prospective investors should consult their own tax advisors regarding the potential impact of FATCA.

## **Risk factors relating to enforcement**

### *Change of law*

The structure of the Programme and of any issue of Trust Certificates under it are based on English law and administrative practice in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to English law or administrative practice after the date of this Base Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of a Trustee to make payments under the Trust Certificates or of the IsDB to comply with its obligations under the Programme Documents and the Transaction Documents to which it is a party.

### *Enforcement risk*

Ultimately, the payments under the Trust Certificates are dependent upon the IsDB making payments in the manner contemplated under the Purchase Undertaking Deed (and the relevant IsDB Purchase Agreement), providing and performing its obligations under, the Guarantee and making payments as provided in the Master Trust Deed, the Programme Documents and the Transaction Documents to which the IsDB is a party.

If the IsDB should fail to do so, it may be necessary to bring an action against the IsDB to enforce its obligations which could be time consuming and costly. The IsDB has irrevocably agreed to the Transaction Documents and the Programme Documents being governed by English law and that any disputes shall be referred to and finally resolved by arbitration under the LCIA Rules. Notwithstanding that an arbitration award may be rendered in London, the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the **New York Convention**) in favour of the Certificateholders, such awards may not be enforceable consistently under the laws of all of the IsDB's Member Countries. The IsDB has also agreed to submit to the jurisdiction of the courts of England (the **English Courts**) at the option of the Delegate, the Certificateholders, the Agents or the relevant Trustee(s), as the case may be, in respect of any dispute under the Trust Certificates and the Programme Documents and Transaction Documents. Notwithstanding that a judgment may be obtained in favour of the Certificateholders, there is no assurance that the IsDB has or would at the relevant time have assets in the United Kingdom against which such a judgment could be enforced. Under the laws of some of the IsDB's Member Countries (for example, under the laws of the KSA) while the parties to any agreement may stipulate the laws of England as the law by which that agreement is to be governed and construed and may submit to the jurisdiction of the English courts, the courts of such Member Countries may not be bound by such acceptance or submission. If any actions were instituted before such courts and adjudicatory authorities, such courts and authorities may not apply the relevant foreign law but, rather, would apply local laws which may not recognise the doctrine of conflict of laws.

Furthermore, the IsDB's Articles of Agreement provide that all property and assets of the IsDB shall, wherever located and by whomsoever held, be immune from all forms of seizure, attachment or execution before the delivery of a final judgment against it. The Articles of Agreement require each Member Country, in accordance with its judicial system, to promptly take such action as is necessary to make effective in its own territory the provisions as to, *inter alia*, immunity.

#### *Claims for specific performance*

In the event that the IsDB fails to perform its obligations under the Purchase Undertaking Deed or the relevant IsDB Purchase Agreement or the Guarantee or make payments under the Master Trust Deed then the potential remedies available to the relevant Trustee(s) include obtaining an order for specific performance of the IsDB's obligations or a claim for damages. There is no assurance that a court will provide an order for specific performance which is a discretionary matter.

The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the relevant Trustee(s) to mitigate its loss. No assurance is provided on the level of damages which a court may award in the event of a failure by the IsDB to perform its obligations set out in the Purchase Undertaking Deed, the Master Trust Deed, the Guarantee and the other Programme Documents and Transaction Documents to which it is a party.

#### **Risk factors relating to Trust Certificates denominated in Renminbi**

Trust Certificates denominated in Renminbi (**RMB Trust Certificates**) may be issued under the Programme. RMB Trust Certificates contain particular risks for potential investors, including:

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

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



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

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are being developed.

Although Renminbi was added to the Special Drawing Rights basket created by the IMF in 2016 and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the People's Bank of China (**PBoC**) in 2018, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the IsDB to source Renminbi to finance its obligations under RMB Trust Certificates.

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

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

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

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

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

market to service the RMB Trust Certificates, there is no assurance that the IsDB will be able to source such Renminbi on satisfactory terms, if at all.

*Investment in RMB Trust Certificates is subject to exchange rate risks*

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. In August 2015, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-points. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of profit and principal will be made in Renminbi with respect to the RMB Trust Certificates unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Trust Certificates in that foreign currency will decline.

*Investment in RMB Trust Certificates is subject to interest rate risks*

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

The RMB Trust Certificates may carry a fixed profit rate. Consequently, the trading price of such RMB Trust Certificates will vary with fluctuations in Renminbi interest rates. If a holder of RMB Trust Certificates tries to sell such RMB Trust Certificates before their maturity, they may receive an offer that is less than the amount invested.

*Payments in respect of RMB Trust Certificates will only be made to investors in the manner specified in such RMB Trust Certificates*

All payments to investors in respect of the RMB Trust Certificates will be made solely: (i) for so long as the RMB Trust Certificates are represented by global certificates held with the common depository, for Clearstream, Luxembourg and Euroclear or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or in the RMB Settlement Centre(s), if so specified in the applicable Final Terms or Pricing Supplement, as the case may be; or (ii) for so long as the RMB Trust Certificates are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or in the RMB Settlement Centre(s), if so specified in the applicable Final Terms or the Pricing Supplement, as the case may be, in accordance with prevailing rules and regulations. Neither the IsDB nor the relevant Issuer can be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

## **Additional risks**

### **Consents to variation of Programme Documents and other matters**

The Master Trust Deed contains provisions permitting the Delegate, or the Trustees acting on the directions of the Delegate (acting as directed by the Certificateholders), from time to time and at any time without any consent or sanction of the Certificateholders to make any modification to the Master Trust Deed if in the opinion of the Delegate such modification: (a) is of a formal, minor or technical nature, or (b) is made to correct a manifest or proven (to the satisfaction of the Delegate) error, or (c) is proper to make and is not materially prejudicial to the interest of Certificateholders. Unless the Delegate

otherwise decides, any such modification shall as soon as practicable thereafter be notified to the Certificateholders and shall in any event be binding upon the Certificateholders.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. the audited financial statements of IDB Trust Services Limited as at and for the year ended 31 December 2020 together with the audit report thereon and the notes thereto (available at <https://www.isdb.org/publications/idb-trust-services-limited-annual-financial-statements-2020>);
2. the audited financial statements of IDB Trust Services Limited as at and for the year ended 31 December 2019 together with the audit report thereon and the notes thereto (available at <https://www.isdb.org/sites/default/files/media/documents/2020-06/1.%20IDB%20Trust%20Services%20Limited%20-%20Annual%20Financial%20Statements%202019.PDF>);
3. the audited financial statements of the IsDB–OCR as at and for the year ended 31 December 2020 together with the audit report thereon and the notes thereto (available at <https://www.isdb.org/publications/isdb-ocr-financial-statements-english-2020>); and
4. the audited financial statements of the IsDB–OCR as at and for the year ended 31 December 2019 together with the audit report thereon and the notes thereto (available at <https://www.isdb.org/sites/default/files/media/documents/2020-06/1.%20IsDB-OCR%20Financial%20Statements%20%28English%29%202019.pdf>) (the **2019 Financial Statements**).

Each of the financial statements listed above include audit reports from the relevant independent auditors.

The Trustee will, at the specified office of the Principal Paying Agent, provide, free of charge, upon oral or written request, a copy of this Base Prospectus (or any document incorporated by reference in this Base Prospectus). Written or telephone requests for such documents should be directed to the specified office of the Principal Paying Agent set out at the end of this Base Prospectus.

Any information incorporated by reference in any of items (1) to (4) above does not form part of this Base Prospectus for the purpose of the Prospectus Regulation. Any information contained in any of the documents specified above which is not incorporated by reference in the Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus. For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on any website does not form part of this Base Prospectus and has not been scrutinised or approved by the CBI.

This Base Prospectus should be read and construed with any amendment or supplement hereto and with any other document incorporated by reference herein.

## TERMS AND CONDITIONS OF THE TRUST CERTIFICATES

*The following is the text of the Terms and Conditions of the Trust Certificates, which (subject to modification and except for the text in italics) will be endorsed on each Trust Certificate in individual registered form issued under the Programme and will apply to the Global Trust Certificate. The applicable Final Terms in relation to any Tranche of Trust Certificates complete the following Terms and Conditions for the purpose of such Trust Certificates. The applicable Pricing Supplement in relation to any Tranche of Trust Certificates which are Exempt Certificates complete, supplement or modify the following Terms and Conditions for such Trust Certificates.*

IDB Trust Services Limited and IsDB Trust Services No.2 SARL (each in its capacity as issuer and as trustee, each a **Trustee**, and together, the **Trustees**) have established a programme (the **Programme**) for the issuance of up to U.S.\$25,000,000,000 in aggregate principal amount of Trust Certificates.

Trust Certificates issued under the Programme (the **Trust Certificates**) are issued in Series (as defined below) and each Series may comprise one or more Tranches (as defined below) of Trust Certificates. Each Tranche is the subject of final terms (**Final Terms**) or, in respect of Exempt Certificates, a pricing supplement (**Pricing Supplement**), as the case may be. The applicable Final Terms or the applicable Pricing Supplement, as the case may be, for this Trust Certificate (or the applicable provisions thereof) are set out in Part A of the applicable Final Terms or the applicable Pricing Supplement, as the case may be, attached to or endorsed on this Trust Certificate which complete these Terms and Conditions (**Conditions**). The Conditions applicable to any particular Tranche of Trust Certificates are these Conditions as completed by the applicable Final Terms or as completed, modified and/or supplemented by the applicable Pricing Supplement, as the case may be. In the event of any inconsistency between these Conditions and the applicable Final Terms or the applicable Pricing Supplement, as the case may be, the applicable Final Terms or the applicable Pricing Supplement, as the case may be shall prevail.

In these Conditions, references to **Trust Certificates** shall be references to the Trust Certificates which are the subject of the applicable Final Terms or the applicable Pricing Supplement, as the case may be. References to **Exempt Certificates** are to Trust Certificates for which no prospectus is required to be published under Regulation (EU) 2017/1129 (the **Prospectus Regulation**).

References in these Conditions to the **Trustee** are to the entity specified as such in the applicable Final Terms or Pricing Supplement, as the case may be.

Each of the Trust Certificates will represent an undivided beneficial ownership interest in the relevant Trust Assets (as defined herein) held by the Trustee on trust (the **Trust**) for, *inter alia*, the benefit of the registered holders of the Trust Certificates pursuant to: (i) an amended and restated master trust deed (the **Master Trust Deed**) dated 19 April 2022 and made between the Trustees, The Islamic Development Bank (the **IsDB**) and The Law Debenture Trust Corporation p.l.c. (the **Delegate**); as well as (ii) the relevant supplemental trust deed (each, a **Supplemental Trust Deed** and, together with the Master Trust Deed, the **Trust Deed**) applicable to each Tranche.

In accordance with the Trust Deed, the Trustees will unconditionally and irrevocably appoint the Delegate to be its attorney and to exercise certain future duties, powers, authorities and discretions vested in the Trustees by certain provisions in Trust Deed and in accordance with the terms of the Trust Deed at all times. The Delegate is entitled to receive its properly incurred fees, costs, charges and expenses for acting in relation to the Trust Certificates from the Certificateholder Entitlement (as defined below) in the distributions of Trust Assets (as defined below) ahead of the distributions to Certificateholders.

Payments relating to the Trust Certificates will be made pursuant to an amended and restated issue and paying agency agreement dated 19 April 2022 (the **Agency Agreement**) made between the Trustees, the IsDB, the Delegate, HSBC Bank plc as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor agent) and as calculation agent (in such capacity the **Calculation**

**Agent**), and Intertrust SPV Services Limited as registrar (in such capacity the **Registrar**), as replacement agent (in such capacity, the **Replacement Agent**) and as transfer agent (in such capacity, the **Transfer Agent**, and together with the Calculation Agent, the Transfer Agent, the Registrar and the Principal Paying Agent, the **Agents**).

Subject as set out below, copies of the following documents are available for inspection and obtainable free of charge during normal business hours at the Specified Office (as defined herein) for the time being of the Principal Paying Agent. The Certificateholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the documents set out below to which the Trustee is a party:

- (c) an amended and restated master purchase agreement between the Trustees and the IsDB dated 19 April 2022 (the **Master Purchase Agreement**);
- (d) any supplemental purchase agreement (each, a **Supplemental Purchase Agreement**) in relation to the Trust Certificates;
- (e) a master wakala agreement between the Trustees and the IsDB as wakeel (the **Wakeel**) dated 19 April 2022 (the **Master Wakala Agreement**);
- (f) any supplemental wakala agreement (each, a **Supplemental Wakala Agreement**, and together with the **Master Wakala Agreement**, the **Wakala Agreement**) in relation to the Trust Certificates;
- (g) a guarantee issued by the IsDB in favour of the Trustees dated 19 April 2022 (the **Guarantee**), and each separate guarantor certificate given in relation to the Trust Certificates on the Issue Date (the **Guarantor Certificate**);
- (h) an amended and restated purchase undertaking deed dated 19 April 2022 (the **Purchase Undertaking Deed**), containing the form of a purchase agreement (the **IsDB Purchase Agreement**) to be executed by the IsDB and the Trustee on the relevant Dissolution Date of the relevant Series of Trust Certificates;
- (i) an amended and restated sale undertaking deed executed by the Trustees in favour of the IsDB dated 19 April 2022, (the **Sale Undertaking Deed**) containing the form of sale agreement (the **Sale Agreement**) to be executed by the IsDB and the Trustee on the relevant Dissolution Date of the relevant Series of Trust Certificate;
- (j) an amended and restated additional portfolio assets sale undertaking deed executed by the IsDB in favour of the Trustees dated 19 April 2022, (the **Additional Portfolio Assets Sale Undertaking Deed**) containing the form of the additional portfolio assets sale agreement (the **Additional Portfolio Assets Sale Agreement**) to be executed by the IsDB and the Trustee on any relevant Settlement Dates of the relevant Series of Trust Certificates;
- (k) the Master Trust Deed (incorporating the provisions regarding the appointment of the Delegate);
- (l) any Supplemental Trust Deed in relation to Trust Certificates which are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system;
- (m) the Agency Agreement;
- (n) a corporate services agreement between Intertrust SPV Services Limited (as provider of corporate services to IDB Trust Services Limited) and IDB Trust Services Limited dated 23 May 2005 (the **Corporate Services Agreement**);

- (o) a management and administration agreement between Intertrust (Luxembourg) S.à r.l. (as provider of management and administration services to IsDB Trust Services No.2 SARL) and IsDB Trust Services No.2 SARL dated 15 September 2020 (the **Management and Administration Agreement**);
- (p) an amended and restated dealer agreement between the Trustees, the IsDB and the Dealers dated 19 April 2022 (the **Dealer Agreement**);
- (q) any Final Terms or any Pricing Supplement, as the case may be, in relation to Trust Certificates;
- (r) copies of each purchase report (**Purchase Report**) produced on each Report Date (as defined herein) by the IsDB substantively in the form set out in Schedule 2 (*Purchase Report*) of the Master Purchase Agreement in respect of any Series of Trust Certificates; and
- (s) copies of each servicing report (**Servicing Report**) produced by the Wakeel substantively in the form set out in Schedule 2 (*Form of Servicing Report*) of the Master Wakala Agreement in respect of any Series of Trust Certificates.

Each Servicing Report will set out, in respect of the relevant Series of Trust Certificates, the principal and profit collections received in respect of each of the Leased Assets, Disbursing Istisna'a Assets, Restricted Mudaraba Assets, Commodity Murabaha (Tawarruq) Receivables, Murabaha Receivables and Istisna'a Receivables (each as defined herein), as well as the service fees received in respect of Loan (Qard) Receivables and the dividends and other receivables in respect of Shares and Sukuk since the previous Servicing Report. Each Purchase Report will detail, in respect of the relevant Series of Trust Certificates, the Leased Assets, Disbursing Istisna'a Assets, Restricted Mudaraba Assets, Commodity Murabaha (Tawarruq) Receivables, Murabaha Receivables, Loan (Qard) Receivables and Istisna'a Receivables which have matured, and the Shares and/or Sukuk that have been capitalised, repurchased or redeemed since the previous Purchase Report, any Additional Portfolio Assets purchased during that period and their net asset value as at the date of the report.

Copies of the Supplemental Purchase Agreement, the Supplemental Wakala Agreement, the Supplemental Trust Deed, the applicable Final Terms or the applicable Pricing Supplement, as the case may be, any Purchase Report and any Servicing Report in respect of Trust Certificates which are not admitted to listing, trading and/or quotation on any competent authority, stock exchange or quotation system will only be available for inspection and obtainable free of charge by the relevant Certificateholders from the Principal Paying Agent.

The statements in the Conditions include summaries of, and are subject to, detailed provisions of the Master Trust Deed, the relevant Supplemental Trust Deed and the Agency Agreement.

**Each initial Certificateholder, by its acquisition and holding of its interest in a Trust Certificate, shall be deemed to authorise and direct the Trustee, on behalf of the Certificateholders, (a) to apply the sums paid by it in respect of its Trust Certificates in accordance with the terms of the Transaction Documents; and (b) to enter into each Transaction Document to which it is expressed to be a party, subject to the terms and conditions of the Master Trust Deed, as supplemented by the relevant Supplemental Trust Deed and these Conditions.**

## 1 INTERPRETATION

### 1.1 Definitions

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

**Additional Business Centre(s)** means the city or cities specified as such in the applicable Final Terms or Pricing Supplement, as the case may be;

**Additional Financial Centre(s)** means the city or cities specified as such in the applicable Final Terms or Pricing Supplement, as the case may be;

**Additional Portfolio** means a separate and independent portfolio of assets created by the IsDB in relation to any Tranche other than the first Tranche under a Series and comprising:

- (a) at least 51 per cent. tangible assets comprising of Leased Assets, Disbursing Istisna'a Assets, Shares, Sukuk and/or Restricted Mudaraba Assets; and
- (b) no more than 49 per cent. intangible assets comprising of Istisna'a Receivables, Loan (Qard) Receivables, Commodity Murabaha (Tawarruq) Receivables and/or Murabaha Receivables,

including, without limitation, the right to receive payment of any amounts due in connection with such assets, the right to demand, sue for, recover, receive and give receipts for all amounts payable, or to become payable, under the assets and/or agreements relating to the assets and the benefit of, and the right to sue on, all covenants in favour of the IsDB and the right to exercise all powers of the IsDB thereunder;

**Aggregate Nominal Amount** has the meaning given in the applicable Final Terms or Pricing Supplement, as the case may be;

**Business Day** means:

- (a) in relation to any sum payable in a currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;
- (b) in relation to any sum payable in euro, 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
- (c) in relation to any sum payable in Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the applicable RMB Settlement Centre(s) (as defined below);

**Business Day Convention**, in relation to any particular date, has the meaning given in the applicable Final Terms or Pricing Supplement, as the case may be and, if so specified in the applicable Final Terms or Pricing Supplement, as the case may be, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **Following Business Day Convention** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **Modified Following Business Day Convention** or **Modified Business Day Convention** means that 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) **Preceding Business Day Convention** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **FRN Convention, Floating Rate Convention or Eurodollar Convention** means that 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 Final Terms or Pricing Supplement, as the case may be, as the Specified 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** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**Calculation Amount** has the meaning given in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Calculation Date** means, in respect of each Series, the date specified in the relevant Supplemental Purchase Agreement;

**Certificateholder Contribution** means an amount equal to the Aggregate Nominal Amount of each Tranche;

**Certificateholder Entitlement** has the meaning given in the Master Trust Deed;

**Commodity Murabaha (Tawarruq) Receivables** means the receivables derived from the placements of funds which are made by the IsDB with other banks and financial institutions and which comprise the purchase and sale of commodities at fixed or floating rate profit;

**Day Count Fraction** means, in respect of the calculation of an amount for any period of time (the **Calculation Period**), such day count fraction as may be specified in these Conditions or the applicable Final Terms or Pricing Supplement, as the case may be and:

- (a) if **Actual/Actual (ICMA)** is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular 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 Regular Period and (B) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:

- (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
- (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) 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);
- (c) if **Actual/365 (Fixed)** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if **Actual/360** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if **30/360** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

Day Count Fraction =

where:

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

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

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

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

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

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

- (f) 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:

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

Day Count Fraction =

where:

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

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

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

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

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

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

(g) 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:

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

Day Count Fraction =

where:

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

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

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

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

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

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

*provided, however, 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;

**Disbursing Istisna'a Assets** means Istisna'a assets in respect of which the IsDB pays instalment amounts to a contractor (which are subsequently capitalised) during, but prior to the completion of, the construction of such assets and whilst legal title to such assets is vested in the IsDB;

**Dissolution Amount** means, as appropriate, the Final Dissolution Amount, the Early Dissolution Amount (Tax), the Optional Dissolution Amount (Call) or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Dissolution Date** means, as the case may be: (a) the Maturity Date; (b) following the occurrence of a Dissolution Event (as defined in Condition 14 (*Dissolution Events*)), the date on which a Series of Trust Certificates is dissolved in accordance with the provisions of Condition 14 (*Dissolution Events*); (c) the date on which a Series of Trust Certificates is dissolved in accordance with the provisions of Condition 11.2 (*Early Dissolution for Tax Reasons*); or (d) the Optional Dissolution Date (Call) in accordance with the provisions of Condition 11.3 (*Dissolution at the Option of the Trustee*);

**Early Dissolution Amount (Tax)** means, in respect of any Trust Certificate, its nominal amount or such other amount as may be specified in, or determined in accordance with, the applicable Final Terms or Pricing Supplement, as the case may be;

**Extraordinary Resolution** has the meaning given in the Schedule 5 to the Master Trust Deed;

**Final Dissolution Amount** means, in respect of any Trust Certificate, its nominal amount or such other amount as may be specified in, or determined in accordance with, the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Fixed Amount** has the meaning given in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Fixed Rate Trust Certificates** means a Series in respect of which Fixed Periodic Distribution Amount Provisions are specified as applicable in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Floating Rate Trust Certificates** means a Series in respect of which Floating Periodic Distribution Amount Provisions are specified as applicable in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Global Trust Certificate** means the global trust certificate issued in registered form for each Series of Trust Certificates;

**Initial Portfolio** means a separate and independent portfolio of assets created by the IsDB in relation to the first Tranche under a Series and comprising:

- (c) at least 51 per cent. tangible assets comprising of Leased Assets, Disbursing Istisna'a Assets, Shares, Sukuk and/or Restricted Mudaraba Assets; and

- (d) no more than 49 per cent. intangible assets comprising of Istisna'a Receivables, Loan (Qard) Receivables, Commodity Murabaha (Tawarruq) Receivables and/or Murabaha Receivables,

including, without limitation, the right to receive payment of any amounts due in connection with such assets, the right to demand, sue for, recover, receive and give receipts for all amounts payable, or to become payable, under the assets and/or agreements relating to the assets and the benefit of, and the right to sue on, all covenants in favour of the IsDB and the right to exercise all powers of the IsDB thereunder;

**Issue Date** has the meaning given in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Istisna'a Receivables** means the receivables under a contract (other than in respect of Disbursing Istisna'a Assets) whereby the IsDB has sold certain assets to a beneficiary at a determined price to be paid over an agreed period;

**Leased Assets** means the underlying assets (whether existing or under construction) which are subject to ijarah contracts where the IsDB, as lessor, leases property to a lessee in respect of which regular payments are due from the lessee (and includes any ancillary rights under such ijarah contract);

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

**Loan (Qard) Receivables** means receivables under long term non-interest-bearing concessional facilities provided to Member Countries which bear a service fee payable to the IsDB;

**Margin** has the meaning given in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Maturity Date** has the meaning given in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Member Country** means a country being a shareholder from time to time of the IsDB;

**Murabaha Receivables** means the receivables under a sale contract whereby the purchase price is determined on a cost plus a predetermined profit basis and such purchase price is payable by instalments;

**Optional Dissolution Amount (Call)** means, in respect of any Trust Certificate, its nominal amount or such other amount as may be specified in, or determined in accordance with, the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Optional Dissolution Date (Call)** has the meaning given in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Participating Member State** means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

**Payment Business Day** means:

- (a) in the case where presentation and surrender of a definitive Trust Certificate is required before payment can be made, a day on which banks in the relevant place of surrender of the definitive Trust Certificate are open for presentation and payment of securities and for dealings in foreign currencies; and
- (b) in the case of payment by transfer to an account:
  - (i) if the currency of payment is euro, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
  - (ii) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre;

**Periodic Distribution Amount** means in relation to a Trust Certificate and a Return Accumulation Period, the amount of profit distribution payable in respect of that Trust Certificate for that Return Accumulation Period;

**Periodic Distribution Date** means the date or dates specified as such in, or determined in accordance with the provisions of, the applicable Final Terms or Pricing Supplement, as the case may be and, if a Business Day Convention is specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the applicable Final Terms or Pricing Supplement, as the case may be as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Return Accrual Commencement Date (in the case of the first Periodic Distribution Date) or the previous Periodic Distribution Date (in any other case);

**Periodic Distribution Determination Date** has the meaning given in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

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

**Portfolio** means, in relation to each Series, a separate and independent portfolio of assets created by the IsDB and comprising:

- (a) at least 51 per cent. tangible assets comprising of Leased Assets, Disbursing Istisna'a Assets, Shares, Sukuk and/or Restricted Mudaraba Assets; and
- (b) no more than 49 per cent. intangible assets comprising of Istisna'a Receivables, Loan (Qard) Receivables, Commodity Murabaha (Tawarruq) Receivables and/or Murabaha Receivables,

including, without limitation, the right to receive payment of any amounts due in connection with such assets, the right to demand, sue for, recover, receive and give receipts for all amounts payable, or to become payable, under the assets and/or agreements relating to the assets and the benefit of, and the right to sue on, all covenants in favour of the IsDB and the right to exercise all powers of the IsDB thereunder, such portfolio being constituted by an Initial Portfolio and any Additional Portfolio and supplemented from time to time with Additional Portfolio Assets (as defined in the Master Purchase Agreement);

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

- (a) in relation to euro, it means the principal financial centre of such Participating Member State 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;

**Programme Documents** means the Master Purchase Agreement, the Master Wakala Agreement, the Purchase Undertaking Deed, the Master Trust Deed, the Sale Undertaking Deed, the Additional Portfolio Assets Sale Undertaking Deed, the Guarantee, the Agency Agreement, the Corporate Services Agreement, the Management and Administration Agreement and the Dealer Agreement;

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

**Rating Agencies** means S&P Global Ratings Europe Limited, Moody's Investors Service Inc. (USA) and Fitch Ratings Ltd;

**Record Date** means:

- (a) whilst Trust Certificates are represented by a Global Trust Certificate, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date; and
- (b) whilst Trust Certificates are in individual registered form, as at opening of business (local time in the place of the specified office of the Registrar) on the fifteenth day before the relevant Periodic Distribution Date;

**Reference Banks** has the meaning given in the applicable Final Terms or the applicable Pricing Supplement, as the case may be or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**Reference Rate** means the reference rate appearing on the agreed screen page of a commercial quotation service, being €STR, EURIBOR, SOFR, SONIA or such other reference rate as may be specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Regular Period** means:

- (a) in the case of Trust Certificates where profit distributions are scheduled to be payable only by means of regular payments, each period from and including the Return Accrual Commencement Date to but excluding the first Periodic Distribution Date and each successive period from and including one Periodic Distribution Date to but excluding the next Periodic Distribution Date;
- (b) in the case of Trust Certificates where, apart from the first Return Accumulation Period, profit distributions are scheduled to be payable only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **Regular Date** means the day and month (but not the year) on which any Periodic Distribution Date falls; and
- (c) in the case of Trust Certificates where, apart from one Return Accumulation Period other than the first Return Accumulation Period, profit distributions are scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **Regular Date** means the day and month (but not the year) on which any Periodic Distribution Date falls other than the Periodic Distribution Date falling at the end of the irregular Return Accumulation Period;

**Relevant Date** means, unless otherwise specified in the applicable Final Terms or Pricing Supplement, as the case may be, 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 Certificateholders have been notified by the Trustee in accordance with Condition 17 (*Notices*);

**Relevant Financial Centre** has the meaning given in the applicable Final Terms or Pricing Supplement, as the case may be;

**Relevant Jurisdiction** means Jersey, the Grand-Duchy of Luxembourg, any Member Country or any political subdivision therein;

**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 Final Terms or the applicable Pricing Supplement, as the case may be, 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 Final Terms or the applicable Pricing Supplement, as the case may be;

**Renminbi** or **RMB** means the lawful currency for the time being of the People's Republic of China (the **PRC**), which, for these purposes, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan;

**Report Date** means, for each Series and unless otherwise specified in the relevant Supplemental Purchase Agreement, one day after each Calculation Date (or if such day is not a Business Day, the next following Business Day);



**Restricted Mudaraba Assets** means Mudaraba assets which are subject to a Mudaraba contract under which the IsDB as a Rab al Maal provides capital under a line of financing facility to an intermediary as a Mudarib who then invests such capital based on prescribed investment criteria;

**Return Accrual Commencement Date** means the Issue Date of the Trust Certificates or such other date as may be specified as the Return Accrual Commencement Date in the applicable Final Terms or Pricing Supplement, as the case may be;

**Return Accumulation Period** means each period beginning on (and including) the Return Accrual Commencement Date or any Periodic Distribution Date and ending on (but excluding) the next Periodic Distribution Date;

**Revenue Generating Assets Shortfall** means the difference between the Aggregate Nominal Amount of the relevant Series and the net asset value of the Portfolio (less all principal collections received during the period from the closing date or the relevant settlement date (as applicable) to but excluding the relevant Report Date) corresponding to such Series, as set out in the relevant Servicing Report on a Report Date;

**RMB Settlement Centre(s)** means the financial centre(s) specified as such in the applicable Final Terms or Pricing Supplement, as the case may be, in accordance with applicable laws and regulations. If no RMB Settlement Centre is specified in the applicable Final Terms or Pricing Supplement, as the case may be, the RMB Settlement Centre shall be deemed to be Hong Kong;

**Series** means a Tranche of Trust Certificates which are identical in all respects together with any further Tranche or Tranches of Trust 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 herein) thereon and the Return Accrual Commencement Date;

**Shares** means any Shari'a compliant equity instruments (and the assets underlying those equity instruments);

**Specified Currency** has the meaning given in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Specified Denomination(s)** has the meaning given in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Specified Period** has the meaning given in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

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

**Stock Exchange** means, in relation to Trust Certificates, the stock exchange or exchanges (if any) on which such Trust Certificates are for the time being quoted, listed and/or admitted to trading;

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

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

**Sukuk** means any *sukuk* certificates (and the assets underlying those *sukuk* certificates);

**TARGET2** means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

**TARGET Settlement Day** means any day on which TARGET2 is open for the settlement of payments in euro;

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

**Tranche** means Trust Certificates which are identical in all respects (including as to listing and admission to trading);

**Transaction Account** means, in relation to each Series, the non-interest bearing account maintained in London in the Trustee's name held with the Principal Paying Agent and into which the IsDB will deposit all amounts due to the Trustee under the Programme Documents and the Transaction Documents, details of which are specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be;

**Transaction Documents** means, in respect of each Tranche of Trust Certificates, any Supplemental Wakala Agreement, any Supplemental Purchase Agreement, any Supplemental Trust Deed, any Relevant Agreement (as defined in the Dealer Agreement), any Sale Agreement, any IsDB Purchase Agreement, any Guarantor Certificate and any Additional Portfolio Assets Sale Agreement;

**Treaty** means the treaty establishing the European Union, as amended; and

**Trust Assets** means the assets, rights, cash or investments described in Condition 5.1 (*Trust Assets*).

## 1.2 Interpretation

In these Conditions:

- (a) any reference to principal shall be deemed to include the Dissolution Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Trust Certificate and any other amount in the nature of principal payable pursuant to these Conditions;
- (b) any reference to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of a profit distribution payable pursuant to these Conditions;
- (c) references to Trust Certificates being outstanding shall be construed in accordance with the Agency Agreement;

- (d) if an expression is stated in Condition 1.1 (*Definitions*) to have the meaning given in the applicable Final Terms or Pricing Supplement, as the case may be, but the applicable Final Terms or Pricing Supplement, as the case may be, gives no such meaning or specifies that such expression is not applicable then such expression is not applicable to the Trust Certificates;
- (e) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Trust Certificates;
- (f) words and expressions defined and rules of construction and interpretation set out in each of the Programme Documents shall, unless the context otherwise requires, have the same meanings in these Conditions; and
- (g) with respect to Luxembourg entities only, any references to liquidation, winding-up, administration, and other similar insolvency proceedings and related concepts are to be construed as references to substantially equivalent proceedings and concepts under Luxembourg law (which include, without limitation, controlled management (*gestion contrôlée*), moratorium of payments (*sursis de paiement*), composition procedures (*concordat préventif de faillite*), judicial liquidation (*liquidation judiciaire*) or voluntary liquidation (*liquidation volontaire*)), unless the context requires otherwise.

## 2 FORM, DENOMINATION AND TITLE

### 2.1 Form and Denomination

The Trust Certificates are issued in registered form in the Specified Denominations and, save as provided by Condition 3.2 (*Delivery of new Certificates of Registration*), each Trust Certificate shall represent the entire holding of Trust Certificates by the same holder.

In the case of a Series of Trust Certificates with more than one Specified Denomination, Trust Certificates of one Specified Denomination will not be exchangeable for Trust Certificates of another Specified Denomination. The Trust Certificates will be serially numbered.

The Trust Certificates are not issuable in bearer form.

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

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

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or Pricing Supplement, as the case may be.

## 2.2 **Register**

The Registrar will maintain a register (the **Register**) of Certificateholders in respect of each Series of Trust Certificates in accordance with the provisions of the Agency Agreement. In these Conditions, the **Certificateholder** means the person in whose name such Trust Certificate is registered in the Register (or in the case of a joint holding, the first named person). A certificate of registration (each a **Certificate of Registration**) will be issued to each Certificateholder in respect of its registered holding of Trust Certificates serially numbered with an identifying number which will be recorded also on the relevant Register.

## 2.3 **Title**

The IsDB, the Trustee, the Delegate and the Agents may (to the fullest extent permitted by applicable laws) deem and treat the person in whose name any outstanding Trust Certificate is for the time being registered (as set out in the relevant Register) as the holder of such Trust Certificate or of a particular principal amount of the Trust Certificates for all purposes (whether or not such Trust Certificate or principal 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 IsDB, the Delegate and the Agents shall not be affected by any notice to the contrary. The registered holder of a Certificate will be recognised by the Trustee as entitled to the Trust Certificate free from an equity set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Certificate.

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

# 3 **TRANSFERS OF TRUST CERTIFICATES AND ISSUE OF CERTIFICATES**

## 3.1 **Transfers**

Subject to Conditions 3.4 (*Closed periods*) and 3.5 (*Regulations*), a Trust Certificate may be transferred by depositing the Certificate of Registration issued in respect of that Trust Certificate, with the form of transfer on the back duly completed and signed, at the Specified Office of the Transfer Agent.

## 3.2 **Delivery of new Certificates of Registration**

Each new Certificate of Registration to be issued upon transfer of Trust Certificates will, within five business days of receipt by the Registrar or the relevant other Agent of the duly completed form of transfer endorsed on the relevant Certificate of Registration, be mailed by uninsured mail at the risk of the holder entitled to the Trust Certificate to the address specified in the form of transfer. For the purposes of this Condition, **business day** shall mean a day on which banks are open for business in the city in which the Specified Office of the Registrar or the relevant other Agent with whom a Certificate of Registration is deposited in connection with a transfer is located.

Where some but not all of the Trust Certificates in respect of which a Certificate of Registration is issued are to be transferred a new Certificate of Registration in respect of the Trust Certificates not so transferred will, within five business days of receipt by the Registrar or the relevant other Agent of the original Certificate of Registration, be mailed by uninsured mail at the risk of the holder of

the Trust Certificates not so transferred to the address of such holder appearing on the Register or as specified in the form of transfer.

### **3.3 Formalities free of charge**

Registration of transfer of Trust Certificates will be effected without charge by or on behalf of the Trustee, the Registrar or any other Agent but upon payment (or the giving of such indemnity as the Trustee, the Registrar or any other Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

### **3.4 Closed periods**

No Certificateholder may require the transfer of a Trust Certificate to be registered during the period of 15 days ending on a Periodic Distribution Date, a Dissolution Date or any other date on which any payment of principal, premium or profit in respect of a Trust Certificate falls due.

### **3.5 Regulations**

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

The Certificateholder shall be entitled to receive, in accordance with Condition 2.2 (*Register*), only one Certificate of Registration in respect of his entire holding of Trust Certificates. In the case of a transfer of a portion of the face amount of the Trust Certificates held, a new Certificate of Registration in respect of the balance of the Trust Certificates not transferred will be issued to the transferor in accordance with Condition 3.2 (*Delivery of new Certificates of Registration*).

## **4 STATUS**

### **4.1 Status of the Trust Certificates**

The Trust Certificates evidence an undivided beneficial ownership interest in the Trust Assets of the relevant Series of Trust Certificates and consequently the right to receive certain payments in respect thereof, subject to the terms of the Master Trust Deed, the relevant Supplemental Trust Deed, the Purchase Undertaking Deed, the Sale Undertaking Deed, the relevant IsDB Purchase Agreement, the relevant Sale Agreement and these Conditions, and will be limited recourse obligations of the Trustee. The obligations of the Trustee pursuant to the Conditions of each Trust Certificate are direct, unsubordinated, unsecured and limited recourse obligations of the Trustee and rank *pari passu*, without any preference or priority, among all Trust Certificates of the same Series and with all other present and future Trust Certificates.

### **4.2 Status of the Guarantee**

The obligations of the IsDB pursuant to the Guarantee are direct, unsubordinated and unsecured obligations of the IsDB and (save for certain obligations required to be preferred by law) rank *pari passu*, without any preference or priority, with all other unsecured obligations (other than subordinated obligations, if any) of the IsDB from time to time outstanding.

## **5 THE TRUST**

### **5.1 Trust Assets**

The Trustee has agreed to apply, on each occasion on which Trust Certificates are issued and in respect of the relevant Series of Trust Certificates only, the net proceeds of the issue of such Trust Certificates to purchase the Portfolio pursuant to the Master Purchase Agreement. The Portfolio (as defined in the Master Trust Deed) relating to each Series of Trust Certificates will be the subject of and specified in the Supplemental Purchase Agreement(s) and which shall, upon purchase (and as amended from time to time, including by way of acquiring Additional Portfolio Assets) comprise the relevant Portfolio.

The Trustee has appointed the IsDB to perform limited actions in order to service the Portfolio of each Series of Trust Certificates pursuant to the Wakala Agreement. The Trustee shall pay the Wakeel a nominal amount of U.S.\$100 as a basic fee on the date of each Supplemental Wakala Agreement and an Incentive Fee (as defined in the Master Wakala Agreement).

Profit received in respect of the Portfolio of each Series of Trust Certificates will, after paying the expenses of the relevant Trust (as defined below), be applied to make Periodic Distributions in respect of such Series of Trust Certificates on the relevant Periodic Distribution Date(s), as more particularly described in the Conditions.

Principal amounts received in respect of the Portfolio of each Series of Trust Certificates will be reinvested by the Trustee firstly in acquiring from the IsDB Additional Portfolio Assets pursuant to the Additional Portfolio Assets Sale Undertaking Deed and secondly, to the extent that the IsDB does not have sufficient Additional Portfolio Assets on its balance sheet and at its disposal for sale to the Trustee to enable the Trustee to reinvest the principal amounts in full, by acquiring Shares and/or Sukuk in the open market (through the IsDB as its Wakeel). Any such Additional Portfolio Assets, Shares and Sukuk will form part of the Portfolio of the relevant Series of Trust Certificates.

The IsDB has undertaken to purchase the outstanding Portfolio relating to each Series of Trust Certificates on the relevant Dissolution Date pursuant to the Purchase Undertaking Deed, to be supplemented, at the time of each such purchase, by the IsDB Purchase Agreement containing the specific terms applicable to the relevant purchase. The Trustee has agreed to sell the outstanding Portfolio relating to each Series of Trust Certificates on the relevant Dissolution Date pursuant to the Sale Undertaking Deed, to be supplemented, at the time of each such purchase, by the Sale Agreement containing the specific terms applicable to the relevant sale. The purchase price payable by the IsDB pursuant to each such IsDB Purchase Agreement and the sale price pursuant to each such Sale Agreement will be an amount equal to: (a) the Aggregate Nominal Amount (as specified in the applicable Final Terms or Pricing Supplement, as the case may be) of the relevant Series of Trust Certificates; and (b) the amount of accrued but unpaid Periodic Distribution Amounts on such date. The Trustee will distribute the proceeds of sale of the Portfolio of the relevant Series of Trust Certificates to Certificateholders of the relevant Series in the amounts required to be paid in respect of the relevant Trust Certificates under the Conditions or as otherwise specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, applicable to such Series.

Pursuant to the Guarantee, the IsDB has guaranteed to the Trustee the punctual performance of any and all payment obligations arising or falling due under or in respect of the assets constituting the Portfolio relating to the relevant Series of Trust Certificates. Further, the IsDB has agreed in the Guarantee that if, on a day falling three Business Days prior to a Periodic Distribution Date in respect of the relevant Series of Trust Certificates there is a shortfall between the Periodic Distribution Amounts due on the immediately following Periodic Distribution Date and the Profit Collections received in respect of the Portfolio Constituent Assets comprised in the Portfolio relating to the such Series of Trust Certificates (whether due to the maturity of obligations, the early

repayment of amounts due or a failure by any person to pay amounts that have become due and payable, in respect of such Portfolio Constituent Assets or for any other reason), such that the Trustee would be unable to pay Periodic Distribution Amounts (including any additional amounts payable under Condition 12 (*Taxation*)) due to Certificateholders on such Periodic Distribution Date in full, the IsDB shall immediately pay to the Trustee the amount of such shortfall in the manner and currency prescribed by the Conditions for payment by the Trustee in respect of Trust Certificates. The aggregate amounts recoverable by the Trustee under the Guarantee shall not exceed the sum of all (i) Periodic Distribution Amounts due to Certificateholders on all relevant Periodic Distribution Dates determined on a *pro rata* basis for the Return Accumulation Period ending on the relevant Periodic Distribution Date and (ii) any such additional amounts as aforesaid.

Unless otherwise specified in the relevant Supplemental Trust Deed, the Trust Assets in respect of each Series of Trust Certificates will comprise:

- (a) the Initial Trust Property (as defined in the Master Trust Deed);
- (b) all of the Trustee's rights, title, interest and benefit, present and future, in and to the Portfolio;
- (c) all of the Trustee's rights, title, interest and benefit, present and future, in and to the Programme Documents and Transaction Documents to which it is a party (excluding any representation given to the Trustee by the IsDB pursuant to any of the Programme Documents or Transaction Documents);
- (d) the rights of the Trustee to any Cash (as defined in the Master Trust Deed) in any of its bank accounts (and any profit or income earned on such Cash) and any other amounts held by any agent on its behalf (including, but not limited to, any amount held on its behalf pursuant to the Wakala Agreement), and the rights and interests of the Trustee in any assets held by the IsDB on trust for it, which are attributable to, arise from, or are in any way connected with such Series of Trust Certificates;
- (e) any Eligible Investments (as defined in the Master Trust Deed) other than the Portfolio (and any profit or income earned on such Eligible Investments other than the Portfolio) which are attributable to, arise from, or are in any way connected with such Series of Trust Certificates;
- (f) any amount contributed pursuant to clause 18.2 (*Application of Moneys*) of the Master Trust Deed;
- (g) any other assets, rights, Cash or investments of the Trustee as may be specified in the relevant Supplemental Trust Deed;
- (h) all moneys standing to the credit of the Transaction Account from time to time; and
- (i) any proceeds arising from the sale of any of the assets comprised in (a) to (g) and any assets representing the same.

## 5.2 Application of Trust Assets prior to Dissolution

Prior to the Dissolution Date, payments of Periodic Distribution Amounts in respect of the Trust Certificates will represent (unless otherwise specified in the relevant Supplemental Wakala Agreement), *inter alia*, distributions from: (a) profit collections received by or on behalf of the Trustee from the IsDB in its capacity as Wakeel in respect of the relevant Portfolio (and, if applicable, the proceeds of certain indemnities from the IsDB) after paying certain fees and

expenses of the Trust; and (b) if applicable, any amounts advanced to (or otherwise contributed to) the Trust and/or the Trustee by the IsDB pursuant to the Guarantee, the Master Trust Deed and the relevant Supplemental Trust Deed.

Unless otherwise specified in the relevant Supplemental Wakala Agreement, on each Settlement Date the Wakeel will apply the relevant collections received in the immediately preceding Calculation Period standing to the credit of the relevant Transaction Account to pay the following amounts on behalf of the Trustee in accordance with the following order of priority:

- (a) FIRST to the Delegate in respect of all amounts owing to it under the Programme Documents and Transaction Documents in its capacity as Delegate 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 (by way of partial distribution of the relevant Certificateholder Entitlement);
- (b) SECONDLY *pro rata*, to pay an amount equal to any other sums payable by the Trustee (other than to Certificateholders or as otherwise provided in the third and fourth items (inclusive) below) including rating fees, listing fees, paying agents' fees and corporate administrator fees together with any stamp, issue, registration, documentary and other fees, duties and taxes, including compensation and penalties, payable on or in connection with: (i) the execution and delivery of the Master Trust Deed, the relevant Supplemental Trust Deed, the relevant Series and the Conditions; (ii) the constitution and original issue of the relevant Series; and (iii) any action taken by or on behalf of the Trustee or (where permitted by the Master Trust Deed, the relevant Supplemental Trust Deed, the Trust Certificates and the Conditions) any Certificateholder to enforce, or to resolve any doubt concerning, or for any other purpose in relation to, the Master Trust Deed, the relevant Supplemental Trust Deed, the Trust Certificates and the Conditions each of which such amounts shall have been properly incurred by the Trustee and to pay any remuneration agreed with the Trustee pursuant to such arrangements as the Wakeel, the Delegate and the Trustee shall separately agree; and
- (c) THIRDLY, in respect of each Periodic Distribution Date, to pay to the Principal Paying Agent any Periodic Distribution Amounts due and payable on such Periodic Distribution Date.

The Trustee will establish a Transaction Account in respect of each Series by no later than the relevant Issue Date. The Transaction Account shall be operated by the Principal Paying Agent on behalf of the Trustee and shall be the account into which the IsDB will deposit all amounts payable by it to the Trustee pursuant to the terms of the relevant Programme Documents and the Transaction Documents.

### 5.3 Application of Trust Assets on the Dissolution Date

On the Dissolution Date, the Portfolio will be transferred by the Trustee to the IsDB pursuant to the Purchase Undertaking Deed and the relevant IsDB Purchase Agreement or, as the case may be, pursuant to the Sale Undertaking Deed and the relevant Sale Agreement, in return for a purchase price (to be specified in the relevant IsDB Purchase Agreement or Sale Agreement, as the case may be) equal to: (a) the Aggregate Nominal Amount specified in the applicable Final Terms (or the applicable Pricing Supplement, as the case may be); and (b) the amount of accrued but unpaid Periodic Distribution Amounts on such date (including any additional amounts payable pursuant to Condition 12 (*Taxation*)).

The Trustee will apply the proceeds of such purchase price together with any remaining Trust Assets and, if applicable, any amounts advanced to (or otherwise paid to) the Trustee by the IsDB



pursuant to the Guarantee, the Master Trust Deed and the relevant Supplemental Trust Deed and any other amounts as may be specified in the relevant Supplemental Trust Deed, as the case may be, to make payments in respect of, *inter alia*, the Trust Certificates in accordance with the following order of priority (or as otherwise specified in the relevant Supplemental Trust Deed, as the case may be):

- (a) FIRST to the Delegate in respect of all amounts owing to it under the Programme Documents and Transaction Documents in its capacity as Delegate 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 (by way of partial distribution of the relevant Certificateholder Entitlement);
- (b) SECONDLY to pay, *pro rata*, an amount equal to any other sums payable by the Trustee (other than to Certificateholders or as otherwise provided in the Third and Fourth items (inclusive) below) including rating fees, listing fees, paying agent's fees and corporate administrator fees together with any stamp, issue, registration, documentary and certain other fees, duties and taxes, including compensation and penalties, payable on or in connection with (i) the execution and delivery of the Master Trust Deed, the relevant Supplemental Trust Deed, the relevant Series of Trust Certificates and the Conditions, (ii) the constitution and original issue of the relevant Series of Trust Certificates and (iii) any action taken by or on behalf of the Trustee or (where permitted under the Master Trust Deed, the relevant Supplemental Trust Deed, the Trust Certificates and the Conditions so to do) any Certificateholder to enforce, or to resolve any doubt concerning, or for any other purpose in relation to, the Master Trust Deed or the relevant Supplemental Trust Deed, the relevant Series of Trust Certificates and the Conditions each of which such amounts shall have been properly incurred by the Trustee and to pay any remuneration agreed with the Trustee pursuant to such arrangements as the IsDB, the Delegate and the Trustee shall separately agree;
- (c) THIRDLY to pay an amount equal to any outstanding sums payable in respect of the relevant Series of Trust Certificates until redeemed in full by way of distributing the remainder of the relevant Certificateholder Entitlement; and
- (d) FOURTHLY to pay all remaining amounts to the IsDB by way of an Incentive Fee (as defined in the Master Wakala Agreement), for acting as Wakeel in relation to the Programme.

## 6 COVENANTS

Each Trustee has covenanted in the Master Trust Deed that, *inter alia*, for so long as any Trust Certificate is outstanding, it shall not (subject to contrary instructions or an Extraordinary Resolution of Certificateholders provided to the Delegate):

- (a) incur any indebtedness in respect of borrowed money whatsoever, or give any guarantee in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) other than the Trust Certificates issued under the Programme;
- (b) secure any of its present or future indebtedness for borrowed money 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);
- (c) sell, transfer, convey or otherwise dispose of: (i) its legal title (apparent ownership) to the Portfolio of the relevant Series or any interest therein except pursuant to (A) the

Purchase Undertaking Deed and the relevant IsDB Purchase Agreement and (B) the Sale Undertaking Deed and the relevant Sale Agreement; or (ii) its interests in any of the other Trust Assets of the relevant Series except pursuant to the Programme Documents, the relevant Supplemental Purchase Agreement, the relevant Additional Portfolio Assets Sale Agreement or the relevant Supplemental Trust Deed;

- (d) use the relevant Certificateholder Contribution for any purpose other than as set out in the Programme Documents or the relevant Supplemental Trust Deed, as the case may be;
- (e) amend materially or agree to any material amendment of any Programme Document or Transaction Document to which it is a party, or its memorandum and articles of association, or enter into any other agreement, letter or other document in connection with the Programme without: (i) the prior approval of the Certificateholders of the relevant Series by way of Extraordinary Resolution or otherwise in accordance with clause 15 (*Waiver and Amendments*) of the Master Trust Deed; and (ii) first notifying the Rating Agencies of the proposed amendments and subsequently providing the Rating Agencies with copies of the relevant executed amended Programme Documents or Transaction Documents;
- (f) act as trustee in respect of any trust other than the Trust corresponding to a Series of Trust Certificates issued from time to time pursuant to the Programme;
- (g) have any Subsidiaries or employees;
- (h) redeem any of its shares or pay any dividend or make any other distribution to its shareholders save for an aggregate annual dividend not exceeding £500;
- (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, otherwise than for the purposes of, or pursuant to, an amalgamation, reorganisation or restructuring whilst solvent; and
- (j) enter into any contract, transaction, amendment, obligation or liability other than the Programme Documents or Transaction Documents to which it is a party or as expressly permitted or required thereunder or engage in any business or activity other than:
  - (i) as provided for or permitted in the Programme Documents or the relevant Transaction Documents, as the case may be;
  - (ii) the ownership, management and disposal of Trust Assets as provided in the Programme Documents or the relevant Transaction Documents, as the case may be; and
  - (iii) such other matters which are incidental thereto.

## **7 FIXED PERIODIC DISTRIBUTION AMOUNT PROVISIONS**

### **7.1 Application**

This Condition 7 is applicable to the Trust Certificates only if the Fixed Periodic Distribution Amount Provisions are specified in the applicable Final Terms or Pricing Supplement, as the case may be, as being applicable.

## 7.2 **Periodic Distribution Amount**

A Periodic Distribution Amount representing a defined share of the profit in respect of the Trust Assets for the relevant Series of Trust Certificates will be payable in respect of the Trust Certificates and be distributable by the Trustee out of amounts transferred to the Transaction Account to the Certificateholders in accordance with these Conditions.

## 7.3 **Fixed Amount**

The Periodic Distribution Amount payable in respect of each Trust Certificate for any Return Accumulation Period shall be the relevant Fixed Amount and, if the Trust Certificates are in more than one Specified Denomination, shall be the relevant Fixed Amount in respect of the relevant Specified Denomination.

## 7.4 **Periodic Distribution Date**

Subject to Condition 7.6 (*Cessation of Profit Entitlement*), Condition 11.2 (*Early Dissolution for Tax Reasons*), Condition 11.3 (*Dissolution at the Option of the Trustee*) and Condition 14 (*Dissolution Events*) below, and unless otherwise specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, each Periodic Distribution Amount will be made in respect of the relevant Trust Certificates in arrear on each Periodic Distribution Date.

## 7.5 **Return Accumulation Period**

The Periodic Distribution Amount payable on each Periodic Distribution Date will be in respect of the relevant Return Accumulation Period which, unless otherwise specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, shall be the period from and including the Return Accrual Commencement Date of the relevant Series of Trust Certificates to but excluding the first Periodic Distribution Date in respect of such Series and each successive period from and including a Periodic Distribution Date to but excluding the next succeeding Periodic Distribution Date.

## 7.6 **Cessation of Profit Entitlement**

No further amounts will be payable on any Trust Certificate from and including the Dissolution Date unless, upon due presentation, payment of the Dissolution Amount or any part thereof is improperly withheld or refused. In such event, Periodic Distribution Amounts shall continue to be payable as provided in accordance with this Condition 7 (as well after as before judgment) until whichever is the earlier of: (i) the day on which all sums due in respect of such Trust Certificate up to that day are received by or on behalf of the relevant Certificateholder; and (ii) the day which is seven days after the Principal Paying Agent has notified the Certificateholders of the relevant Series that it has received all sums due in respect of the Trust Certificates up to such seventh day (except to the extent that there is any subsequent default in payment under these Conditions).

## 7.7 **Calculation of Periodic Distribution Amount**

The Periodic Distribution Amount payable on any Periodic Distribution Date in respect of each Trust Certificate for any period for which a Fixed Amount is not specified, shall be calculated by the Calculation Agent by applying the applicable Rate to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Trust Certificate divided by the Calculation Amount. For this purpose, a **sub-unit** means, in the case of any currency other

than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

#### 7.8 **Determination by the Trustee**

The Trustee or the Delegate, as the case may be, shall, if the Calculation Agent defaults at any time in its obligation to determine the Periodic Distribution Amount in accordance with the above provisions, determine the Periodic Distribution Amount in the manner provided in Condition 7.7 (*Calculation of Periodic Distribution Amount*) above and any such determination shall be deemed to be a determination by the Calculation Agent.

#### 7.9 **Notifications, etc. to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7, whether by the Calculation Agent or, if applicable, the Trustee or the Delegate, as the case may be, will (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Trustee, the Delegate, the Principal Paying Agent and all Certificateholders of such Series (in the absence as referred to above). No liability to the Trustee, the IsDB, the Delegate, the Principal Paying Agent or the Certificateholders shall attach to the Calculation Agent or, where applicable, the Trustee or the Delegate, as the case may be, in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 7.

#### 7.10 **Renminbi Fixed Rate Trust Certificates**

In the case of a Fixed Rate Trust Certificate where the Specified Currency is Renminbi and the applicable Final Terms or Pricing Supplement, as the case may be, specifies a Business Day Convention to be applicable (an **Adjusted Renminbi Fixed Rate Trust Certificate**), each Periodic Distribution Date (and, accordingly, the relevant Return Accumulation Period) will be adjusted (if required) in accordance with the relevant Business Day Convention. For the purposes of the Conditions relating to an Adjusted Renminbi Fixed Rate Trust Certificate, the term **Business Day** shall mean a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the applicable RMB Settlement Centre(s).

### **8 FLOATING PERIODIC DISTRIBUTION AMOUNT PROVISIONS**

#### 8.1 **Application**

This Condition 8 is applicable to the Trust Certificates only if the Floating Periodic Distribution Amount Provisions are specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, as being applicable.

#### 8.2 **Periodic Distribution Amount**

A Periodic Distribution Amount representing a defined share of the profit in respect of the Trust Assets for the relevant Series of Trust Certificates will be payable in respect of the Trust Certificates and be distributable by the Trustee out of amounts transferred to the Transaction Account to the Certificateholders in accordance with these Conditions.

#### 8.3 **Screen Rate Determination for Floating Rate Trust Certificates not referencing SONIA, SOFR or €STR**

Subject to Condition 8.11 (*Benchmark Replacement*), if Screen Rate Determination is specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, as the manner

in which the Rate(s) is/are to be determined, and the Reference Rate is specified in the applicable Final Terms or Pricing Supplement, as the case may be, as being a Reference Rate other than SONIA, SOFR or €STR, the Rate applicable to the Trust Certificates for each Return Accumulation Period will be determined by the Calculation Agent on the following basis:

- (a) if the Reference Rate specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;
- (b) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;
- (c) if, in the case of (a) above, such rate does not appear on that page or, in the case of (b) 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:
  - (i) 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 Periodic Distribution 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
  - (ii) determine the arithmetic mean of such quotations; and
- (d) subject to Condition 8.11 (*Benchmark Replacement*) below, 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 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, however, 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, and provided further that such failure is not due to the occurrence of a Benchmark Event (as defined in Condition 8.11 (*Benchmark Replacement*) below), the Rate applicable to the Trust 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 Trust Certificates in respect of a preceding Return Accumulation Period.

If the Rate cannot be determined because of the occurrence of a Benchmark Event, the Rate shall be calculated in accordance with the terms of Condition 8.11 (*Benchmark Replacement*).

#### 8.4 **Screen Rate Determination for Floating Rate Trust Certificates referencing SONIA, SOFR or €STR**

- (a) Where Screen Rate Determination is specified in the applicable Final Terms or Pricing Supplement as the manner in which the Rate is to be determined and the Reference Rate is specified in the applicable Final Terms or Pricing Supplement as being SONIA, SOFR or €STR:
- (i) where the Calculation Method in respect of the relevant Series of Trust Certificates is specified in the applicable Final Terms or Pricing Supplement as being "**Compounded Daily**", the Rate applicable to the Trust Certificates for each Return Accumulation Period will (subject to Condition 8.11 and subject as provided below) be the Compounded Daily Reference Rate plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin, all as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate, as specified in the applicable Final Terms or Pricing Supplement) on the Periodic Distribution Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards;
  - (ii) where the Calculation Method in respect of the relevant Series of Trust Certificates is specified in the applicable Final Terms or Pricing Supplement as being "**Weighted Average**", the Rate applicable to the Trust Certificates for each Return Accumulation Period will (subject to Condition 8.11 and subject as provided below) be the Weighted Average Reference Rate plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin, all as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate, as specified in the applicable Final Terms or Pricing Supplement) on the Periodic Distribution Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards; and
  - (iii) where the Calculation Method in respect of the relevant Series of Trust Certificates is specified as being "SOFR Index", the Rate applicable to the Trust Certificates for each Return Accumulation Period will, subject as provided below, be the SOFR Index Reference Rate (as defined below) plus or minus (as indicated in the applicable Final Terms or Pricing Supplement) the Margin, all as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate, as specified in the applicable Final Terms or Pricing Supplement) on the Periodic Distribution Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.
- (b) Where "SONIA" is specified as the Reference Rate in the applicable Final Terms or Pricing Supplement, subject to Condition 8.11, if, in respect of any Business Day, the Principal Paying Agent (or such other party responsible for the calculation of the Rate, as specified in the applicable Final Terms or Pricing Supplement) determines that the SONIA rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA rate shall be:
- (i) the Bank of England's Bank Rate (the Bank Rate) prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day plus the mean of the spread of the SONIA rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
  - (ii) if the Bank Rate is not published by the Bank of England at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day, the SONIA rate published on the

Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors),

(and, in each case, "r" shall be interpreted accordingly).

- (c) Where "SOFR" is specified as the Reference Rate in the applicable Final Terms or Pricing Supplement, subject to Condition 8.11, if, in respect of any Business Day, the Principal Paying Agent (or such other party responsible for the calculation of the Rate, as specified in the applicable Final Terms or Pricing Supplement) determines that the SOFR rate does not appear on the Relevant Screen Page, such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the Relevant Screen Page (and "r" shall be interpreted accordingly).
- (d) Where "€STR" is specified as the Reference Rate in the applicable Final Terms or Pricing Supplement, subject to Condition 8.11, if, in respect of any Business Day, the Principal Paying Agent (or such other party responsible for the calculation of the Rate, as specified in the applicable Final Terms or Pricing Supplement) determines that the €STR rate does not appear on the Relevant Screen Page, such Reference Rate shall be the €STR for the first preceding Business Day on which the €STR was published on the Relevant Screen Page (and "r" shall be interpreted accordingly).
- (e) In the event that the Rate for the relevant Return Accumulation Period cannot be determined in accordance with the foregoing provisions, subject to Condition 8.11, the Rate for such Return Accumulation Period shall be: (i) that determined as at the last preceding Periodic Distribution Determination Date (though substituting, where a different Margin is to be applied to the relevant Return Accumulation Period from that which applied to the last preceding Return Accumulation Period, the Margin relating to the relevant Return Accumulation Period, in place of the Margin relating to that last preceding Return Accumulation Period); or (ii) if there is no such preceding Periodic Distribution Determination Date, the initial Rate which would have been applicable to such Series of Trust Certificates for the first Return Accumulation Period had the Trust Certificates been in issue for a period equal in duration to the scheduled first Return Accumulation Period but ending on (and excluding) the Return Accrual Commencement Date (but applying the Margin applicable to the first Return Accumulation Period).
- (f) If the relevant Series of Trust Certificates become due and payable in accordance with Condition 14 (Dissolution Events), the last Periodic Distribution Determination Date shall, notwithstanding any Periodic Distribution Determination Date specified in the applicable Final Terms or Pricing Supplement, be deemed to be the date on which such Trust Certificates became due and payable and the Rate on such Trust Certificates shall, for so long as the Trust Certificates remain outstanding, be that determined on such date.
- (g) For the purposes of this Condition 8.4:

If "**Payment Delay**" is specified in the applicable Final Terms or Pricing Supplement as being applicable, all references in these Conditions to profit on the Trust Certificates being payable on a Periodic Distribution Date shall be read as references to profit on the Trust Certificates being payable on an Effective Periodic Distribution Date instead;

**Applicable Period** means:

(a) where "Lag", "Lock-out" or "Payment Delay" is specified as the Observation Method in the applicable Final Terms or Pricing Supplement, the relevant Return Accumulation Period; and

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms or Pricing Supplement, the Observation Period relating to such Return Accumulation Period;

**Business Day** or **BD** means,

(a) where "SONIA" is specified as the Reference Rate in the applicable Final Terms or Pricing Supplement, any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

(b) where "SOFR" is specified as the Reference Rate in the applicable Final Terms or Pricing Supplement, any day which is a U.S. Government Securities Business Day and is not a legal holiday in New York and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed; and

(c) where "€STR" is specified as the Reference Rate in the applicable Final Terms or Pricing Supplement, a day on which TARGET2 System is open for settlements of payments in euro;

**Compounded Daily Reference Rate** means, with respect to a Return Accumulation Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the applicable Final Terms or Pricing Supplement and further provided for below) as the reference rate for the calculation of profit) and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate, as specified in the applicable Final Terms or Pricing Supplement) as at the relevant Periodic Distribution Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{r_{i-pBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

**D** is the number specified in the applicable Final Terms or Pricing Supplement;

**d** means, for the relevant Applicable Period, the number of calendar days in such Applicable Period;

**d<sub>0</sub>** means, for the relevant Applicable Period, the number of Business Days in such Applicable Period;

**Effective Periodic Distribution Date** means any date or dates specified as such in the applicable Final Terms or Pricing Supplement;

**€STR** means, in respect of any Business Day, a reference rate equal to the daily euro short-term rate for such Business Day as provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank currently at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank (the **ECB's Website**) in each case, on or before



9:00 a.m., (Central European Time) on the Business Day immediately following such Business Day;

"**i**" means, for the relevant Applicable Period, a series of whole numbers from one to  $d_0$ , each representing the relevant Business Day in chronological order from, and including, the first Business Day in such Applicable Period;

**Lock-out Period** means the period from, and including, the day following the Periodic Distribution Determination Date to, but excluding, the corresponding Periodic Distribution Date;

**n<sub>i</sub>**, for any Business Day *i* in the Applicable Period, means the number of calendar days from, and including, such Business Day "*i*" up to but excluding the following Business Day;

**New York Federal Reserve's Website** means the website of the Federal Reserve Bank of New York currently at <http://www.newyorkfed.org>, or any successor website of the Federal Reserve Bank of New York;

**Observation Period** means, in respect of the relevant Return Accumulation Period, the period from, and including, the date falling "*p*" Business Days prior to the first day of such Return Accumulation Period (and the first Return Accumulation Period shall begin on and include the Return Accrual Commencement Date) and ending on, but excluding, the date which is "*p*" Business Days prior to the Periodic Distribution Date for such Return Accumulation Period (or the date falling "*p*" Business Days prior to such earlier date, if any, on which the Trust Certificates become due and payable);

**p** means, for any Return Accumulation Period:

- a) where "Lag" is specified as the Observation Method in the applicable Final Terms or Pricing Supplement, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms or Pricing Supplement (which shall not be less than five Business Days without the consent of the Principal Paying Agent (or such other party responsible for the calculation of the Rate, as specified in the applicable Final Terms or Pricing Supplement));
- b) where "Lock-out" is specified as the Observation Method in the applicable Final Terms or Pricing Supplement, zero; and
- c) where "Observation Shift" or "SOFR Index" is specified as the Observation Method in the applicable Final Terms or Pricing Supplement, the number of Business Days included in the Observation Look-back Period specified in the applicable Final Terms or Pricing Supplement (which shall not be less than five Business Days without the consent of the Principal Paying Agent (or such other party responsible for the calculation of the Rate, as specified in the applicable Final Terms or Pricing Supplement));

"**r**" means:

- a) where in the applicable Final Terms or Pricing Supplement "SONIA" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day;
- b) where in the applicable Final Terms or Pricing Supplement "SOFR" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the

Observation Method, in respect of any Business Day, the SOFR in respect of such Business Day;

- c) where in the applicable Final Terms or Pricing Supplement "€STR" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the €STR in respect of such Business Day;
- d) where in the applicable Final Terms or Pricing Supplement "SONIA" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
  - (1) in respect of any Business Day "i" that is a Reference Day, the SONIA rate in respect of the Business Day immediately preceding such Reference Day, and
  - (2) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SONIA rate in respect of the Business Day immediately preceding the last Reference Day of the relevant Return Accumulation Period (such last Reference Day coinciding with the Periodic Distribution Determination Date);
- e) where in the applicable Final Terms or Pricing Supplement "SOFR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
  - (1) in respect of any Business Day "i" that is a Reference Day, the SOFR in respect of the Business Day immediately preceding such Reference Day, and
  - (2) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SOFR in respect of the Business Day immediately preceding the last Reference Day of the relevant Return Accumulation Period (such last Reference Day coinciding with the Periodic Distribution Determination Date);
- f) where in the applicable Final Terms or Pricing Supplement "€STR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
  - (1) in respect of any Business Day "i" that is a Reference Day, the €STR in respect of the Business Day immediately preceding such Reference Day, and
  - (2) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the €STR in respect of the Business Day immediately preceding the last Reference Day of the relevant Return Accumulation Period (such last Reference Day coinciding with the Periodic Distribution Determination Date);
- g) where in the applicable Final Terms or Pricing Supplement "SONIA" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day, provided however that, in the case of the last Return Accumulation Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for

redemption, as applicable, "r" shall be the SONIA rate in respect of the Rate Cut-off Date;

- h) where in the applicable Final Terms or Pricing Supplement "SOFR" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the SOFR in respect of such Business Day, provided however that, in the case of the last Return Accumulation Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, "r" shall be the SOFR in respect of the Rate Cut-off Date; and
- i) where in the applicable Final Terms or Pricing Supplement "€STR" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the €STR in respect of such Business Day, provided however that, in the case of the last Return Accumulation Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, "r" shall be the €STR in respect of the Rate Cut-off Date;

**Rate Cut-off Date** has the meaning given in the applicable Final Terms or Pricing Supplement;

**Reference Day** means each Business Day in the relevant Return Accumulation Period, other than any Business Day in the Lock-out Period;

**"ri-pBD"** means the applicable Reference Rate as set out in the definition of "r" above for, (i) where, in the applicable Final Terms or Pricing Supplement, "Lag" is specified as the Observation Method, the Business Day (being a Business Day falling in the relevant Observation Period) falling "p" Business Days prior to the relevant Business Day "i" or, (ii) otherwise, the relevant Business Day "i";

**SOFR** means, in respect of any Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Federal Reserve's Website, in each case on or about 5.00 p.m. (New York City Time) on the Business Day immediately following such Business Day (the **SOFR Determination Time**);

**SOFR Averages** means the computation bearing the same name as published on the New York Federal Reserve's Website;

**SOFR Index** with respect to any U.S. Government Securities Business Day, means:

(a) the SOFR Index value as published by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) as such index appears on the New York Federal Reserve's Website at 5.00 p.m. (New York City time) on such U.S. Government Securities Business Day (the **SOFR Determination Time**); or

(b) if a SOFR Index value does not so appear as specified in (a) above at the SOFR Determination Time, then:

- (1) if a Benchmark Event has not occurred, the SOFR Index Reference Rate shall be the SOFR Index Unavailable value; or

(2) if a Benchmark Event has occurred, then the SOFR Index Reference Rate shall be the rate determined pursuant to Condition 8.11 (Benchmark Replacement);

**SOFR Index<sub>End</sub>** means the SOFR Index value for the day which is "p" U.S. Government Securities Business Days preceding the Periodic Distribution Date relating to such Return Accumulation Period;

**SOFR Index Reference Rate** means:

$$\left( \frac{\text{SOFR Index}_{\text{End}}}{\text{SOFR Index}_{\text{Start}}} - 1 \right) \times \left( \frac{360}{d_c} \right)$$

where "d<sub>c</sub>" is the number of calendar days from (and including) SOFR Index<sub>Start</sub> to (but excluding) SOFR Index<sub>End</sub> (the number of calendar days in the relevant Observation Period);

**SOFR Index<sub>Start</sub>** is the SOFR Index value for the day which is "p" U.S. Government Securities Business Days preceding the first date of the relevant Return Accumulation Period;

**SOFR Index Unavailable** means if a SOFR Index<sub>Start</sub> or SOFR Index<sub>End</sub> is not published on the associated Periodic Distribution Determination Date and a Benchmark Event has not occurred, "SOFR Index Reference Rate" means, for the relevant Return Accumulation Period for which such index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and definitions required for such formula, published on the New York Federal Reserve's Website at <https://www.newyorkfed.org/markets/treasury-repo-reference-ratesinformation>. For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "Observation Period" and the words "that is, 30-, 90-, or 180- calendar days" shall be removed. If the daily SOFR does not so appear for any day, "i" in the Observation Period, SOFR for such day "i" shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the New York Federal Reserve's Website.

**SONIA** means, in respect of any Business Day, a reference rate equal to the daily Sterling Overnight Index Average rate for such Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors in each case on the Business Day immediately following such Business Day;

**U.S. Government Securities Business Day** means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

**Weighted Average Reference Rate** means:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms or Pricing Supplement, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day; and

(b) where "Lock-out" is specified as the Observation Method in the applicable Final Terms or Pricing Supplement, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Return Accumulation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Return Accumulation Period, provided however that for any calendar day of such Return Accumulation Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day.

#### **8.5 Cessation of Profit Entitlement**

No further amounts will be payable on any Trust Certificate from and including the Dissolution Date unless, upon due presentation, payment of the Dissolution Amount or any part thereof is improperly withheld or refused. In such event, Periodic Distribution Amounts shall continue to be payable as provided in accordance with this Condition 8 (as well after as before judgment) until whichever is the earlier of: (i) the day on which all sums due in respect of such Trust Certificate up to that day are received by or on behalf of the relevant Certificateholder; and (ii) the day which is seven days after the Principal Paying Agent has notified the Certificateholders of the relevant Series that it has received all sums due in respect of the Trust Certificates up to such seventh day (except to the extent that there is any subsequent default in payment under these Conditions).

#### **8.6 Calculation of Periodic Distribution Amount**

The Calculation Agent will, as soon as practicable after the time at which the Rate is to be determined in relation to each Return Accumulation Period, calculate the Periodic Distribution Amount payable in respect of each Trust Certificate for such Return Accumulation Period. The Periodic Distribution Amount will be calculated by applying the Rate applicable to the relevant Return Accumulation Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Trust Certificate divided by the Calculation Amount. For this purpose, a **sub-unit** means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

#### **8.7 Calculation of Other Amounts**

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

#### **8.8 Determination by the Trustee**

The Trustee or the Delegate, as the case may be, shall, if the Calculation Agent defaults at any time in its obligation to determine the Periodic Distribution Amount in accordance with the above provisions, determine the Periodic Distribution Amount in the manner provided in Conditions 8.6

(*Calculation of Periodic Distribution Amount*) and 8.7 (*Calculation of Other Amounts*) above and any such determination shall be deemed to be a determination by the Calculation Agent.

#### 8.9 **Publication**

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

#### 8.10 **Notifications, etc. to be final**

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8, whether by the Calculation Agent or, if applicable, the Trustee or the Delegate, as the case may be, will be binding on the Trustee, the Delegate, the Principal Paying Agent and all Certificateholders (in the absence of wilful default, bad faith or manifest or proven error). No liability to the Trustee, the IsDB, the Delegate, the Principal Paying Agent or the Certificateholders shall attach to the Calculation Agent or, where applicable, the Trustee or the Delegate, as the case may be, in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 8.

#### 8.11 **Benchmark Replacement**

Notwithstanding the provisions in Conditions 8.3 and 8.4 above, if the IsDB (in consultation, to the extent practicable, with the Calculation Agent or such other person specified in the applicable Final Terms as the party responsible for calculating the Rate(s) and Periodic Distribution Amount(s)) determines that a Benchmark Event has occurred in relation to a Reference Rate when any Rate (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

- (a) the Trustee and the IsDB shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine, no later than five Business Days prior to the relevant Periodic Distribution 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 Rate and (in either case) any Adjustment Spread for purposes of determining the Rate (or the relevant component part thereof) applicable to the Certificates for all future Return Accumulation Periods (subject to the subsequent operation of this Condition 8.11;
- (b) if a Successor Rate or, failing which, an Alternative Rate (as applicable) is determined in accordance with the preceding provision, such Successor Rate or, failing which, an Alternative Rate (as applicable) shall be the Reference Rate for each of the future Return

Accumulation Periods (subject to the subsequent operation of, and to adjustment as provided in this Condition 8.11);

- (c) if the IsDB is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Rate prior to the IA Determination Cut-off Date, the Rate applicable to the next succeeding Return Accumulation Period shall be equal to the Rate last determined in relation to the Trust Certificates in respect of the preceding Return Accumulation Period (or alternatively, if there has not been a first Periodic Distribution Date, the profit rate shall be the initial Rate) (subject, where applicable, to substituting the Margin that applied to such preceding Return Accumulation Period for the Margin that is to be applied to the relevant Return Accumulation Period); for the avoidance of doubt, the proviso in this Condition 8.11(c) shall apply to the relevant 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 8.11;
- (d) if the Independent Adviser determines a Successor Rate or, failing which, an Alternative Rate (as applicable) in accordance with the above provisions, the Independent Adviser may also (without the consent or approval of Certificateholders), acting in good faith and in a commercially reasonable manner, specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Periodic Distribution Determination Date, and/or the definition of Reference Rate applicable to the Trust Certificates, and the method for determining the fallback rate in relation to the Trust Certificates, in order to ensure the proper operation of such Successor Rate or Alternative Rate (as the case may be) and (in either case) any Adjustment Spread. If the Independent Adviser (in consultation with the IsDB) determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as applicable). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread;
- (e) if any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 8.11 and the Independent Adviser (if appointed) (acting in good faith and in a commercially reasonable manner) determines (i) that amendments to these Conditions, the Master Trust Deed, the Agency Agreement and/or any other Transaction Document are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (ii) the terms of the Benchmark Amendments, then the Trustee shall, subject to giving notice thereof in accordance with Condition 8.11(f), without any requirement for the consent or approval of Certificateholders, vary these Conditions, the Master Trust Deed, the Agency Agreement and/or such other Transaction Document(s) to give effect to such Benchmark Amendments with effect from the date specified in such notice. At the request of the IsDB, but subject to receipt by the Delegate of a certificate signed by two authorised signatories of the IsDB confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate and, (3) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments and that any such Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread, the Delegate shall, without any requirement for the consent or approval of the Certificateholders, be obliged to concur with the IsDB in effecting any Benchmark Amendments (including, *inter alia*, by the execution of an agreement supplemental to or

amending the Master Trust Deed, the Agency Agreement and/or any other Transaction Document). Notwithstanding the foregoing, the Delegate shall not be obliged so to concur if in the opinion of the Delegate doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Delegate in these Conditions or the Master Trust Deed in any way;

- (f) the Trustee shall promptly, following the determination of any Successor Rate or Alternative Rate (as applicable) or Adjustment Spread and the specific terms of any Benchmark Amendments to these Conditions, the Master Trust Deed, the Agency Agreement or any/other Transaction Document, promptly give notice thereof to the Delegate, the Principal Paying Agent, the Calculation Agent and the Certificateholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any;
- (g) the Delegate shall be entitled to rely on such certificates referred to in (e) (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificates will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any), which are to be determined solely by the Trustee and the IsDB following consultation with the Independent Adviser, and without prejudice to the Delegate's ability to rely on such certificate as aforesaid) be binding on the IsDB, the Trustee, the Delegate, the Principal Paying Agent, the Calculation Agent and the Certificateholders; and
- (h) an Independent Adviser appointed pursuant to this Condition 8.11 shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the IsDB, the Trustee, the Delegate, the Principal Paying Agent, the Calculation Agent or the Certificateholders for any determination made by it pursuant to this Condition 8.11.

In this Condition 8.11:

**Adjustment Spread** means either (a) a spread (which may be positive or negative) or (b) a formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the IsDB) determines is required to be applied to the Successor Rate or the Alternative Rate (as applicable) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (b) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Rate, the Independent Adviser (in consultation with the IsDB) (acting in good faith and in a commercially reasonable manner) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as applicable); or
- (c) if the Independent Adviser (in consultation with the Trustee and the IsDB) determines that no such spread is customarily applied, the Independent Adviser (in consultation with the Trustee and the IsDB) 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 Alternative Reference Rate (as applicable);



**Alternative Rate** means the rate that the Independent Adviser determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining profit rates in respect of certificates denominated in the Specified Currency and of a comparable duration to the relevant Return Accumulation Period, or, if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines in its sole discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate;

**Benchmark Event** means (i) the Reference Rate ceases to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered or ceasing to be published for at least five Business Days; (ii) a specified date referred to in a public statement by the administrator of the Reference Rate when it will cease publishing the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Reference Rate); (iii) a specified date referred to in a public statement by the supervisor of the administrator of the Reference Rate when the Reference Rate has been or will be permanently or indefinitely discontinued; (iv) a public statement by the supervisor of the administrator of the Reference Rate that means the Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences; or (v) it has become unlawful to calculate any payments due to be made to any Certificateholder using the Reference Rate (including, without limitation, under the Benchmark Regulation (EU) 2016/1011, if applicable);

**Independent Adviser** means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the IsDB at its own expense;

**Relevant Nominating Body** means, in respect of a Reference Rate: (i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank, reserve bank, monetary authority or any similar institution, 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, (D) the Financial Stability Board or any part thereof, or (E) the International Swaps and Derivatives Association, Inc. or any part thereof; and

**Successor Rate** means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser determines is a successor to or replacement of the Reference Rate (for the avoidance of doubt, whether or not such Reference Rate has ceased to be available) which is formally recommended by any Relevant Nominating Body.

## 9 PAYMENT

Payment of Dissolution Amounts and Periodic Distribution Amounts will be made by transfer to the registered account (as defined below) of the Certificateholder or by cheque drawn on a bank that processes payments in the Specified Currency mailed to the registered address of the Certificateholder if it does not have a registered account. Payments of Dissolution Amounts and payments of Periodic Distribution Amounts due otherwise than on a Periodic Distribution Date will only be made against surrender of the relevant Certificate of Registration at the Specified Office of any of the Agents. Periodic Distribution Amounts on Trust Certificates due on a Periodic Distribution Date will be paid to the holder shown on the relevant Register on the Record Date.

For the purposes of this Condition 9, a Certificateholder's **registered account** means the account in the Specified Currency maintained by or on behalf of such Certificateholder with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business, in the case of principal and Periodic Distribution Amounts due otherwise than on a Periodic Distribution Date, on the second Payment Business Day before the due date for payment and, in the case of principal and Periodic Distribution Amounts due on a Periodic Distribution Date, on the relevant Record Date, and a Certificateholder's registered address means its address appearing on the relevant Register at that time.

All such payments will be made subject to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions described in Condition 12 (*Taxation*).

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, on the Payment Business Day preceding the due date for payment or, in the case of a payment of principal or due otherwise than on a Periodic Distribution Date, if later, on the Payment Business Day on which the relevant Certificate of Registration is surrendered at the Specified Office of an Agent.

Unless otherwise specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, Certificateholders will not be entitled to any payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Certificateholder is late in surrendering its Certificate of Registration (if required to do so) or if a cheque mailed in accordance with this Condition 9 arrives after the due date for payment.

If the amount of any Dissolution Amount or Periodic Distribution Amount which is due on the Trust Certificates is not paid in full, the Registrar will annotate the relevant Register with a record of the amount of any Dissolution Amount or Periodic Distribution Amounts in fact paid.

## **10 AGENTS**

### **10.1 Agents of Trustee**

In acting under the Agency Agreement and in connection with the Trust Certificates, the Agents act solely as agents of the Trustee and the IsDB and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders.

### **10.2 Specified Offices**

The names of the initial Agents and their Specified Offices at the date of the Base Prospectus are set out at the end of the Base Prospectus. Each of the Trustee and the IsDB reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents *provided, however, that:*

- (a) it will at all times maintain a Principal Paying Agent;
- (b) it will at all times maintain a Registrar;
- (c) if and for so long as any Trust Certificates are admitted to listing, trading and/or quotation on any competent authority, stock exchange and/or quotation system, it will at all times maintain a Principal Paying Agent and/or Transfer Agent and/or Replacement Agent having its Specified Office in any place required by such competent authority, stock exchange and/or quotation system;

- (d) it will at all times maintain a Replacement Agent; and
- (e) it will at all times maintain a Calculation Agent.

Notice of any termination or appointment and of any changes in Specified Offices will be given to the Certificateholders promptly by the Trustee in accordance with Condition 17 (*Notices*).

## **11 CAPITAL DISTRIBUTIONS OF TRUST**

### **11.1 Scheduled Dissolution**

Unless the Trust Certificates are redeemed earlier, each Series of Trust Certificates will be dissolved on the relevant Maturity Date at its Final Dissolution Amount together with, for the avoidance of doubt, any accrued but unpaid Periodic Distribution Amounts. Upon payment in full of such amounts and the termination of the relevant Trust, the Trust 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.

### **11.2 Early Dissolution for Tax Reasons**

The Trust in respect of a Series of Trust Certificates may be dissolved at the option of the Trustee (with the prior written consent of the IsDB) in whole, but not in part:

- (a) at any time (if the Floating Periodic Distribution Amount Provisions are not specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, as being applicable); or
- (b) on any Periodic Distribution Date (if the Floating Periodic Distribution Amount Provisions are specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, as being applicable),
- (c) on giving not less than 30 nor more than 60 days' notice to the Certificateholders (which notice shall be irrevocable), at their Early Dissolution Amount (Tax), together with Periodic Distribution Amounts accrued but unpaid (if any) to, but excluding, the relevant Dissolution Date, if:
  - (i) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction or, by any authority in or of a Relevant Jurisdiction having a power tax), which change or amendment becomes effective on or after the date of issue of the first Tranche of such Series; and
  - (ii) such obligation cannot be avoided by the Trustee taking reasonable measures available to it,

*provided, however, that* no such notice of dissolution shall be given unless the Trustee has received the relevant notice from the IsDB under the Sale Undertaking Deed and no such notice of dissolution shall be given earlier than:

- (d) where the relevant Series of Trust Certificates may be dissolved at any time, 90 days prior to the earliest date on which the Trustee would be obliged to pay such additional amounts if a payment in respect of the Trust Certificates were then due; or

where the relevant Series of Trust Certificates may be dissolved only on a Periodic Distribution Date, 60 days prior to the Periodic Distribution Date occurring immediately before the earliest date on which the Trustee would be obliged to pay such additional amounts if a payment in respect of the Trust Certificates were then due.

Prior to the publication of any notice of dissolution pursuant to this paragraph, the Trustee shall deliver to the Delegate and the Principal Paying Agent: (a) a certificate signed by two directors of the Trustee, which shall be binding on the Certificateholders, stating that the Trustee is entitled to effect such dissolution and setting forth a statement of facts showing that the conditions precedent in (A) and (B) above to the right of the Trustee so to dissolve have occurred; and (b) an opinion of independent legal advisors of recognised standing to the effect that the Trustee has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 11.2, the Trustee shall be bound to dissolve the Trust Certificates in accordance with this Condition 11.2. Upon such dissolution as aforesaid and the termination of the relevant Trust, the Trust 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.

### 11.3 **Dissolution at the Option of the Trustee**

If the Optional Dissolution (Call) option is specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, as being applicable, the relevant Trust in respect of such Series of Trust Certificates may be dissolved at the option of the Trustee (with the prior written consent of the IsDB) in whole but not in part on any Optional Dissolution Date (Call) at the relevant Optional Dissolution Amount (Call) on the Trustee giving not less than 30 nor more than 60 days' notice to the Certificateholders (which notice shall be irrevocable and shall oblige the Trustee to dissolve all of the Trust Certificates of the relevant Series on the relevant Optional Dissolution Date (Call) at the Optional Dissolution Amount (Call) plus Periodic Distribution Amounts (if any) to such date). Upon payment in full of such amounts accrued but unpaid and the termination of the relevant Trust, the Trust 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.

### 11.4 **No Other Optional Early Dissolution**

The Trustee shall not be entitled to redeem any Series of Trust Certificates and the Trustee shall not be entitled to dissolve the Trust created in respect of such Series at its option otherwise than as provided in Conditions 11.1 (*Scheduled Dissolution*), 11.2 (*Early Dissolution for Tax Reasons*) and 11.3 (*Dissolution at the Option of the Trustee*) above.

### 11.5 **Cancellation**

All Trust Certificates which are redeemed will forthwith be cancelled and accordingly may not be held, reissued or resold. All Trust Certificates purchased by or on behalf of the IsDB or any of Subsidiary of IsDB may be surrendered for cancellation by surrendering the registered Trust Certificate representing such Trust Certificates to the Registrar and by the IsDB delivering to the Trustee a duly completed Cancellation Notice in accordance with the terms of the Trust Deed. Any Trust Certificates so surrendered shall be cancelled forthwith and may not be held, reissued or resold and the obligations of the Trustee in respect of any such Trust Certificates shall be

discharged. If all (and not some only) of the Trust Certificates are cancelled in accordance with this Condition 11.5, the Trustee shall be bound to dissolve the Trust.

## **12 TAXATION**

All payments in respect of the Trust Certificates shall be made without withholding or deduction for, or on account of, any Taxes, unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay to the Certificateholders additional amounts so that the full amount which otherwise would have been due and payable under the Trust Certificates is received by parties entitled thereto, except that no such additional amount shall be payable to any Certificateholder:

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

In these Conditions, references to Final Dissolution Amount, Early Dissolution Amount (Tax), Optional Dissolution Amount (Call) and Periodic Distribution Amount shall be deemed to include any additional amounts payable under this Condition 12.

## **13 PRESCRIPTION**

The rights to receive distributions in respect of the Trust Certificates will be forfeited unless presented for payment within periods of 10 years (in the case of Final Dissolution Amounts) and five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof.

## **14 DISSOLUTION EVENTS**

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

- (a) default is made in the payment of any Dissolution Amount in respect of the relevant Series of Trust Certificates on the date fixed for payment thereof, or default is made in the payment of any Periodic Distribution Amount in respect of any Trust Certificate on the due date for payment thereof, and in the case of any Periodic Distribution Amount only, such default continues for a period of seven days; or
- (b) the Trustee fails duly to perform or comply with any of the obligations expressed to be assumed by it in the Programme Documents or Transaction Documents to which it is a party and such failure or breach remains unremedied for 30 days after the Delegate has given written notice thereof to the Trustee;
- (c) an IsDB Event occurs under the Wakala Agreement; or
- (d) the Trustee fails to exercise the rights that it has under the Additional Portfolio Assets Sale Undertaking or fails to enter into any relevant Additional Portfolio Assets Sale Agreement in the event that a Servicing Report in respect of the Portfolio of the relevant Series identifies the Tangibility of the relevant Portfolio as being less than 51 per cent. or identifies a Revenue Generating Assets Shortfall in respect of that Portfolio and such

rights are capable of being exercised and such exercise is not restricted as a result of non-availability of any Additional Portfolio Assets on the IsDB's balance sheet; or

- (e) the Trustee repudiates any Programme Document to which it is a party, any Supplemental Purchase Agreement, any Additional Portfolio Assets Sale Agreement or any Supplemental Trust Deed or does or causes to be done any act or thing evidencing an intention to repudiate any Programme Document to which it is a party, any Supplemental Purchase Agreement, any Additional Portfolio Assets Sale Agreement or any Supplemental Trust Deed; or
- (f) at any time it is or will become unlawful for the Trustee (by way of insolvency or otherwise) to perform or comply with any of its obligations under the Programme Documents, any Supplemental Purchase Agreement, any Additional Portfolio Assets Sale Agreement or any Supplemental Trust Deed or any of the obligations of the Trustee under the Programme Documents, any Supplemental Purchase Agreement, any Additional Portfolio Assets Sale Agreement or any Supplemental Trust Deed are not or cease to be legal, valid, binding and enforceable,

then the Delegate at its discretion may, and if so requested in writing by the Certificateholders representing not less than one-fifth in principal amount of the Trust Certificates of the relevant Series for the time being outstanding, and subject to the provisions of Condition 15.2 (*Enforcement by the Delegate*) shall, by written notice addressed to the Trustee and the IsDB and delivered to the Trustee and the IsDB or to the Specified Office of the Principal Paying Agent, declare the Trust in respect of the Trust Certificates of the relevant Series to be dissolved and the relevant Trust Certificates immediately due and payable, whereupon they shall become immediately due and payable at their Dissolution Amount together with accrued Periodic Distribution Amounts (if any). Notice of any such declaration shall promptly be given to the Certificateholders of the relevant Series in accordance with Condition 17 (*Notices*). Upon payment in full of such amounts, the Trust 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.

Unless otherwise specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, the Return Accumulation Period during which a Dissolution Event occurs will be adjusted to represent the period from and including the immediately preceding Periodic Distribution Date (or the Issue Date, as the case may be) to but excluding the Dissolution Date (or, if later, the date on which the applicable Periodic Distribution Amount is actually paid), and the corresponding Periodic Distribution Amount shall be adjusted accordingly and paid on such Dissolution Date (or, if later, the date on which the applicable Periodic Distribution Amount is actually paid).

For the purpose of (a) above, amounts shall be considered due in respect of the Trust Certificates (including for the avoidance of doubt any amounts calculated as being payable under Condition 7 (*Fixed Periodic Distribution Amount Provisions*), Condition 8 (*Floating Periodic Distribution Amount Provisions*) and Condition 11 (*Capital Distributions of Trust*)) notwithstanding that the Trustee has at the relevant time insufficient funds or Trust Assets to pay such amounts.

The Trustee and/or the IsDB shall notify the Delegate promptly following the occurrence of a Dissolution Event.

## **15 ENFORCEMENT AND EXERCISE OF RIGHTS**

### **15.1 Enforcement**

The Delegate may at any time, at its discretion and without notice, take such proceedings and/or other steps as it may think fit against or in relation to each of the Trustee and/or the IsDB to enforce their respective obligations under the Guarantee, the Master Trust Deed, the applicable Supplemental Trust Deed, the Conditions and the relevant Trust Certificates or any other Programme Document or Transaction Document.

Following the enforcement, realisation and ultimate distribution of the net proceeds of the relevant Trust Assets in respect of the Trust Certificates to the Certificateholders in accordance with these Conditions and the Trust Deed, the Trustee shall not be liable for any further sums and, accordingly, Certificateholders may not take any action against the Trustee or any other person (including the IsDB) to recover any such sum in respect of the Trust Certificates or the relevant Trust Assets.

### **15.2 Enforcement by the Delegate**

The Delegate shall not be bound to take any action to enforce or to realise the Trust Assets or take any proceedings or any other steps against the Trustee and/or the IsDB under any Programme Documents or Transaction Documents to which the Trustee or the IsDB is a party unless requested to do so (a) by an Extraordinary Resolution or (b) in writing by the Certificateholders holding at least one-fifth in principal amount of the Trust Certificates then outstanding and in either case then only if it shall be indemnified, pre-funded and/or secured to its satisfaction against all liabilities to which it may render itself liable or which it may incur by so doing.

In addition, the Delegate shall not be bound to provide any instructions to the Trustee to take any action pursuant to Condition 15.1 (*Enforcement*) unless it has express notice of the occurrence of a Dissolution Event.

### **15.3 Direct enforcement by Certificateholders**

No Certificateholder shall be entitled to proceed directly against the Trustee or the IsDB unless the Delegate, having become bound so to proceed, (a) fails to do so within a reasonable period, or (b) is unable for any reason so to do, 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 and the sole right of the Delegate and the Certificateholders against the Trustee and the IsDB shall be to enforce their respective obligations under the Programme Documents and Transaction Documents.

The foregoing paragraphs in this Condition 15 are subject to this paragraph. After enforcing or realising the relevant Trust Assets and distributing the net proceeds of the relevant Trust Assets in accordance with Condition 5.2 (*Application of Trust Assets prior to Dissolution*) and, as the case may be, Condition 5.3 (*Application of Trust Assets on the Dissolution Date*), the obligations of the Trustee in respect of the Trust Certificates shall be satisfied and no Certificateholder may take any further steps against the Trustee to recover any further sums in respect of the Trust Certificates and the right to receive any such sums 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.

### **15.4 Limited recourse**

Notwithstanding anything to the contrary contained herein or in any other Programme Document or Transaction Document, no payment of any amount whatsoever shall be made in respect of the

Trust Certificates by the Trustee or the Trust or any agents thereof except to the extent that funds are available therefor from the Trust Assets of the relevant Series of Trust Certificates.

**Certificateholders by subscribing for or acquiring the Trust Certificates acknowledge that no recourse may be had for the payment of any amount owing in respect of the Trust Certificates against the Trustee or the Trust to the extent the Trust Assets have been exhausted.**

In addition, no Certificateholder will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, *désastre*, winding up or receivership of the Trustee, the Trust, the Delegate or any of their affiliates as a consequence of such shortfall or otherwise.

The Trust Certificates do not represent an interest in or obligation of any of the Trustee, the Delegate, the Agents or any of their affiliates. The proceeds of the relevant Trust Assets are the sole source of payment on the Trust Certificates of such Series and the net proceed of the realisation of, or enforcement with respect to the relevant Trust Certificates may not be sufficient to make all payments due in respect of the Trust Certificates. Certificateholders will have no recourse to any assets of the Trustee (other than Trust Assets of the relevant Series of Trust Certificates), the IsDB, to the extent it fulfils its obligations under the Programme Documents and Transaction Documents to which it is a party, the Delegate or the Agents or any of their 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 the obligations of the Trustee shall be extinguished. The Delegate will, as delegate to the Trustee for the Certificateholders, have direct recourse against the IsDB to recover payments due to the Trustee from the IsDB pursuant to such Transaction Document.

## **16 REPLACEMENT OF CERTIFICATES OF REGISTRATION**

Should any Certificate of Registration be lost, stolen, mutilated, defaced or destroyed it may be replaced at the Specified Office of the Transfer Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Trustee may reasonably require. Mutilated or defaced Certificates of Registration must be surrendered before replacements will be issued.

## **17 NOTICES**

All notices regarding the Trust Certificates will be deemed to be validly given if mailed to the Certificateholders at their respective addresses on the Register and, if the Trust Certificates are admitted to trading on the Regulated Market of the London Stock Exchange, if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or if the Trust Certificates are admitted to trading on the Regulated Market of the Euronext Dublin (or any other Stock Exchange (and when the rules of such Stock Exchange so require)), if published in a leading English language daily newspaper of general circulation in the Republic of Ireland (which is expected to be the *Irish Times*) or published on the website of Euronext Dublin (<https://www.euronext.com/en/markets/dublin>) or in either case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe (or published in a daily newspaper of general circulation in the jurisdiction of such Stock Exchange in the case of Trust Certificates admitted to trading on any other Stock Exchange). The Principal Paying Agent (acting on behalf of the Trustee) shall also ensure that notices are duly published in a manner which complies with the rules of any competent authority, stock exchange and/or quotation system on which any Trust Certificates are from time to time admitted to listing, trading and/or quotation.



Any such notice will be deemed to have been given on the seventh day after being so mailed or, if required to be published, on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Notices to be given by any Certificateholders shall be in writing and given by lodging the same, together with the relevant Certificate of Registration or Certificates of Registration, with the Registrar.

## **18 MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION AND REPLACEMENT OF DELEGATE**

No Certificateholder may directly provide instructions to the Trustee.

The Master Trust Deed contains provisions for the Delegate and/or the IsDB to convene meetings of Certificateholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Master Trust Deed, any other Programme Document, any Supplemental Purchase Agreement, any Additional Portfolio Assets Sale Agreement, any Supplemental Wakala Agreement or any Supplemental Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more Certificateholders, proxies or representatives holding or representing in the aggregate not less than one-fifth of the Aggregate Nominal Amount of the relevant Series of the Trust Certificates for the time being outstanding, or at any adjourned such meeting one or more Certificateholders, proxies or representatives present whatever the principal amount of the Trust Certificates held or represented by them. To be passed, an Extraordinary Resolution requires a majority in favour consisting of not less than two-thirds of the persons voting on a show of hands or, if a poll is duly demanded, a majority of not less than two-thirds of the votes cast on such poll and, if duly passed, will be binding on all holders of the relevant Series of the Trust Certificates, whether or not they are present at the meeting and whether or not voting.

In addition, a resolution in writing signed by or on behalf of not less than 90 per cent. of Certificateholders who for the time being are entitled to receive notice of a meeting of Certificateholders will take effect as if it were an Extraordinary Resolution. 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.

The Delegate may from time to time and at any time without any consent or sanction of the Certificateholders agree and require the Trustee to agree to any modification to these Conditions, the Master Trust Deed, any other Programme Document or any Transaction Document if in its opinion such modification: (i) is of a formal, minor or technical nature; (ii) is made to correct a manifest or proven (to the satisfaction to the Delegate) error; or (iii) is not materially prejudicial to the interests of the Certificateholders. In addition, the Delegate may from time to time and at any time without any consent or sanction of the Certificateholders: (i) agree to the waiver or authorisation of any breach or proposed breach of, any of these Conditions, any provisions of the Master Trust Deed, any Programme Document or any Transaction Document; or (ii) determine that any Dissolution Event shall not be treated as such, which is not, in each case, in the opinion of the Delegate, materially prejudicial to the interests of the Certificateholders. The Delegate shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Trust Certificates, that such exercise will not be materially prejudicial to the interests of the Certificateholders of the relevant Series if each Rating Agency that has assigned a rating to such Series has confirmed in writing (whether or not addressed to the Delegate) that its rating would not be adversely affected by such exercise.

In addition, the Delegate shall be obliged to concur with the Trustee and the IsDB in using its reasonable endeavours to effect any Benchmark Amendments in the circumstances and as otherwise

set out in Condition 8.11(e) (*Benchmark Replacement*), without the consent or approval of the Certificateholders.

In connection with the exercise by it of any of the powers, trusts, authorities and discretions vested in it by the Master Trust Deed, the Trust Certificates, the Conditions, the other Programme Documents or any Transaction Documents (including, without limitation, any modification, waiver, authorisation or determination), the Delegate shall have regard to the general interests of the Certificateholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Certificateholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Certificateholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof) and neither the Trustee nor the Delegate shall be entitled to require, nor shall any Certificateholder be entitled to claim from the Trustee, the Delegate or any other person, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders except to the extent provided in Condition 12 (*Taxation*).

Any modification, abrogation, waiver, authorisation or determination shall be binding on all the Certificateholders and, unless the Delegate otherwise decides, the Delegate shall be required to notify the Certificateholders of any modification as soon as practicable thereafter in accordance with Condition 17 (*Notices*).

The Master Trust Deed also contains provisions regarding: (i) the removal of the Delegate in respect of a Series of Trust Certificates pursuant to an Extraordinary Resolution of Certificateholders of the relevant Series of Trust Certificates; and (ii) the retirement of the Delegate upon not less than three months' notice in writing to the IsDB and the Certificateholders of each Series of Trust Certificates then outstanding, provided that no such removal or retirement may become effective until a successor Delegate is appointed.

## **19 PURCHASES OF CERTIFICATES**

The IsDB and/or any Subsidiary of the IsDB may at any time purchase Trust Certificates at any price in the open market or otherwise. Any Trust Certificates held by the IsDB or any Subsidiary of IsDB shall not entitle the holder to exercise any voting rights and shall not be deemed to be outstanding for the purposes of calculating quorums, meetings or for passing Extraordinary Resolutions for the purposes of Condition 18 (*Meetings of Certificateholders, Modification, Waiver, Authorisation and Determination and Replacement of Delegate*).

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

The Master Trust Deed contains provisions for the indemnification of each of the Trustee and the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured to its satisfaction.

The Master Trust Deed contains provisions pursuant to which no director or officer of the Delegate or of any holding, affiliated or associated company of the Delegate shall be precluded from subscribing any Trust Certificates issued under the Programme, with or without a commission or other remuneration, or from purchasing or otherwise acquiring, holding, dealing in or disposing of any notes, bonds, debentures, shares or securities whatsoever or from being interested in any contract or transaction or from accepting and holding the office of trustee or administrator for the holders of any other securities, and in any such case neither the Delegate nor any director or officer of the Delegate shall be liable to the Certificateholders for any profit made by it or him thereby or in connection therewith.

## **21 CURRENCY INDEMNITY**

All payments made in respect of the Trust Certificates shall be made in the Specified Currency irrespective of the currency of the Trust Assets. Certificateholders shall accordingly be indemnified from the Trust Assets against:

- (a) any Liability incurred by any of them arising from the non-payment in respect of the Trust Certificates or of any other amount due to the Certificateholders under these Conditions by reason of any variation in the rates of exchange between those used for the purposes of calculating the amount due under a judgment or order in respect thereof and those prevailing at the date of actual payment; and
- (b) any deficiency arising or resulting from any variation in rates of exchange between: (i) the date as of which the local currency equivalent of the amounts due or contingently due under the Conditions is calculated for the purposes of any bankruptcy, insolvency or liquidation of the Trust, the Trustee or the IsDB; and (ii) the final date for ascertaining the amount of claims in such bankruptcy, insolvency or liquidation. The amount of such deficiency shall be deemed not to be reduced by any variation in rates of exchange occurring between the said final date and the date of any distribution of assets in connection with any such bankruptcy, insolvency or liquidation.

The above indemnities apply irrespective of any indulgence granted by the Delegate or the Certificateholders from time to time and shall continue in full force and effect notwithstanding the judgment or filing of any proof or proofs in any bankruptcy, insolvency or liquidation of the Trust, the Trustee or the IsDB for a liquidated sum or sums in respect of amounts due under the Conditions. Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Certificateholders and no proof or evidence of any actual loss shall be required by the Trustee or the liquidator or liquidators of the Trust.

## **22 FURTHER ISSUES**

In respect of any Series, the Trustee may from time to time create and issue further Trust Certificates having the same terms and conditions as the outstanding Trust Certificates of such Series or terms and conditions which are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue and so that such further issue shall be consolidated and form a single Series with the outstanding Trust Certificates of such Series. Any further Trust Certificates which are to form a single Series with the outstanding Trust Certificates previously constituted by the Trust Deed shall be constituted by a deed supplemental to the Trust Deed. The Certificateholders shall be deemed to have agreed that the Trustee may create and issue such further Trust Certificates without requiring any further consent from the Certificateholders. References in these Conditions to the Trust Certificates include (unless the context requires otherwise) any other Trust Certificates issued pursuant to this Condition 22 and forming a single Series with the Trust Certificates.

## **23 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 24 GOVERNING LAW AND DISPUTE RESOLUTION

### 24.1 Governing Law

Each of the Master Trust Deed, the Trust Certificates, the Guarantee, the Agency Agreement, the Purchase Undertaking Deed, the other Programme Documents (other than the Corporate Services Agreement and Management and Administration Agreement), each Supplemental Purchase Agreement, each Additional Portfolio Assets Sale Agreement, each Supplemental Trust Deed, each Supplemental Wakala Agreement, each IsDB Purchase Agreement and each Guarantor Certificate, and any non-contractual obligations arising out of or in connection with any of them (other than the Corporate Services Agreement and Management and Administration Agreement) is governed by, and shall be construed in accordance with, English law.

### 24.2 Agreement to arbitrate

Subject to Condition 24.3 (*Option to litigate*), any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Trust Deed, the Certificates and these Conditions (including any dispute as to the existence, validity, interpretation, performance, breach or termination of Trust Deed, the Certificates and these Conditions or the consequences of the nullity of any of them or 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 London Court of International Arbitration (**LCIA**) Arbitration Rules (the **Rules**), which Rules (as amended from time to time) are incorporated by reference into this Condition 24. For these purposes:

- (a) the place of arbitration shall be London;
- (b) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator in the Request for Arbitration or Response (each as defined in the Rules) (as the case may be) and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator in accordance with this Condition, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA; and
- (c) the language of the arbitration shall be English.

### 24.3 Option to litigate

Notwithstanding Condition 24.2 (*Agreement to arbitrate*) above, the Delegate (or, but only where permitted to take action in accordance with the terms of the Trust Deed and these Conditions, any Certificateholder) may, in the alternative, and at its sole discretion, by notice in writing to the Trustee and IsDB:

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

require that a Dispute be heard by a court of law. If the Delegate or, as the case may be, a Certificateholder, gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 24.4 (*Effect of exercise of option to litigate*) and, subject as provided below, any arbitration commenced under Condition 24.2 (*Agreement to arbitrate*) in respect of that Dispute will be terminated. With the exception of the Delegate (whose costs will be borne by the IsDB), each of the parties to the terminated arbitration will bear its own costs in relation thereto.

If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the Delegate or, as the case may be, a Certificateholder, must also promptly give notice to the LCIA and to any Tribunal (as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (a) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
- (b) the arbitrator's 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.

#### 24.4 **Effect of exercise of option to litigate**

In the event that a notice pursuant to Condition 24.3 (*Option to litigate*) is issued, the following provisions shall apply:

- (a) subject to paragraph (c) below, the courts of England at the option of the Delegate or, as the case may be, at the option of the Certificateholders shall have exclusive jurisdiction to settle any Dispute and each of the Trustee and the IsDB submits to the exclusive jurisdiction of such courts;
- (b) each of the Trustee and the IsDB agrees that the courts of England are the most appropriate and convenient courts to settle and Dispute and, accordingly, that it will not argue to the contrary; and
- (c) this Condition 24.4 is for the benefit of the Delegate and Certificateholders only. As a result, and notwithstanding paragraph (a) above, the Delegate and any Certificateholder (where permitted to do so) may take proceedings relating to a Dispute (**Proceedings**) in any other courts with jurisdiction. To the extent allowed by law, the Delegate and the Certificateholders may take concurrent Proceedings in any number of jurisdictions.

#### 24.5 **Process agent**

Each of the Trustee and the IsDB has in the Master Trust Deed appointed Intertrust Corporate Services (UK) Limited at its registered office 35 Great St. Helen's, London, EC3A 6AP, United Kingdom as its agent for service of process and has undertaken that, in the event of Intertrust Corporate Services (UK) Limited ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the IsDB and/or the Delegate, as the case may be, as its agent for service of process in respect of any Proceedings and Disputes. Nothing herein shall affect the right to serve proceedings in any manner permitted by law.

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

The IsDB has, in each of the Programme Documents to which it is a party, represented and warranted that it has entered into such Agreement/Deed and the other Programme Documents to which it is a party in connection with the exercise of its powers to raise money and, accordingly, that it is not entitled to claim for itself or any of its assets immunity from legal process in actions taken in relation to such Agreement/Deed or any other Programme Documents and brought against it in a court of competent jurisdiction by the Trustee and/or the Delegate irrespective of the identity of the holders of beneficial interests in the Trust Certificates provided, however, that, in respect of any action brought in a Member Country of the IsDB, no form of service, attachment or execution may be exercised against the property and assets of the IsDB before delivery of final judgment against the IsDB.

#### 24.7 **Waiver of interest**

The parties to each of the Programme Documents have acknowledged and agreed that, notwithstanding any other provisions of such Programme Document, the principle of payment of interest is repugnant to the principles of Shari'a and to the extent that any law or provision would impose (whether by contract or statute) an obligation to pay interest to the other party in relation to such Programme Document or the Transaction Documents, the parties expressly waive and reject the entitlement to recover interest from the other party.

#### 24.8 **Shari'a Compliance**

In each of the Programme Documents to which it is a party, each of IDB Trust Services Limited, IsDB Trust Services No.2 SARL and The Islamic Development Bank has agreed that it has accepted the Shari'a compliant nature of these Conditions, the Programme Documents and the Transaction Documents to which it is a party and, to the extent permitted by law, has further agreed that:

- (a) it shall not claim that any of its obligations under these Conditions, the Programme Documents and the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires* or not compliant with the principles of Shari'a;
- (b) it shall not take any steps or bring any proceedings in any forum to challenge the Shari'a compliance of these Conditions, the Programme Documents and the Transaction Documents to which it is a party; and
- (c) none of its obligations under these Conditions, the Programme Documents and 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 these Conditions, the Programme Documents and the Transaction Documents to which it is a party are not compliant with the principles of Shari'a.

## FORM OF FINAL TERMS

**[MIFID II PRODUCT GOVERNANCE** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Trust Certificates has led to the conclusion that: (i) the target market for the Trust 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 Trust Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Trust 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 Trust Certificates (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Trust Certificates has led to the conclusion that: (i) the target market for the Trust 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 Trust Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Trust 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 Trust Certificates (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Trust 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 (EU) 2014/65 (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2016/97/EU, 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 (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 Trust Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Trust Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Trust 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 (**EUWA**); (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 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 Trust Certificates or otherwise making them available to retail investors in the UK has been prepared

and therefore offering or selling the Trust Certificates or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (as modified or amended from time to time, the **SFA**) and pursuant to the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Trust 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) 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).]

[Date]

**[IDB Trust Services Limited / IsDB Trust Services No.2 SARL]**  
**Legal entity identifier (LEI): [213800VKLEPJ95I3W549 / 222100S88XMYHA1E3547]**  
**Issue of [currency][amount] Trust Certificates due [year]**  
**[to be consolidated and form a single series with the existing [currency][amount] Trust Certificates due [year] issued on [date]]**

with, *inter alia*, the benefit of a Guarantee (in respect of the payment obligations arising under the Portfolio of the relevant Series of Trust Certificates) provided by

**THE ISLAMIC DEVELOPMENT BANK**  
under the  
**U.S.\$25,000,000,000**  
**Trust Certificate Issuance Programme**

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Trust Certificates in any Member State of the European Economic Area will be made pursuant to an exemption under the Prospectus Regulation (Regulation (EU) 2017/1129) from the requirement to publish a prospectus for offers of the Trust Certificates. Accordingly any person making or intending to make an offer in a Member State of the Trust Certificates may only do so in circumstances in which no obligation arises for the Issuer 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, in each case, in relation to such offer. Neither the Issuer, the IsDB nor any Dealer has authorised, nor do they authorise, the making of any offer of Trust Certificates in any other circumstances.]

### **Part A - Contractual Terms**

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the **Conditions**) set forth in the base prospectus dated 19 April 2022 [and the supplemental base prospectus dated [date]] which [together] constitute[s] a base prospectus (the **Base Prospectus**) for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Trust Certificates described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus.

Full information on the Issuer, the IsDB and the offer of the Trust Certificates described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the website of Euronext Dublin at



<https://www.euronext.com/en/markets/dublin> and during normal business hours at the specified office of the Principal Paying Agent set out in the Base Prospectus.]

- |   |   |  |
|---|---|--|
| 1 | (i) Issuer, Trustee:  | [IDB Trust Services Limited / IsDB Trust Services No.2 SARL]   |
|   | (ii) Issuer, Trustee LEI:   | [213800VKLEPJ95I3W549 / 222100S88XMYHA1E3547]  |
|   | (iii) Guarantor (in respect of payment obligations under the Portfolio):                                      | The Islamic Development Bank (the <b>IsDB</b> )  |
| 2 | Series Number:  | [ ]  |
|   | (i) Tranche Number:   | [ ]  |
|   | (ii) Date on which the Trust Certificates will be consolidated and form a single Series:                      | [The Trust Certificates will be consolidated and form a single Series with [identify earlier Tranche(s)] (the <b>Original Trust Certificates</b> ) on [insert date/the Issue Date]] [Not Applicable] |
| 3 | Specified Currency or Currencies:   | [ ]  |
| 4 | Aggregate Nominal Amount:   |  |
|   | (i) Series:   | [ ]  |
|   | (ii) Tranche:   | [ ]  |
| 5 | Issue Price:  | [ ] per cent. of the Aggregate Nominal Amount  |
| 6 | (i) Specified Denominations: ( <i>this means the minimum integral amount in which Transfer can be made</i> ): | [ ] and integral multiples of [ ] in excess thereof  |
|   | (ii) Calculation Amount:  | [ ]  |
| 7 | (i) Issue Date:   | [ ]  |
|   | (ii) Return Accrual Commencement Date:  | [The Issue Date][ ]  |
| 8 | Maturity Date:  | [ ]  |

*(Note that for Renminbi denominated Fixed Rate Trust Certificates where the Periodic Distribution Dates and the amount of profit to be paid on such Periodic Distribution Dates are subject to modification in accordance with a Business Day Convention, it will be necessary to use the following wording:*



	(v) Broken Amount(s):	[[ ] per Calculation Amount, payable on the Period Distribution Date falling [in/on] [ ]][Not Applicable]
	(vi) Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] ( <i>Applicable for Renminbi denominated Fixed Rate Trust Certificates</i> ) [Actual/360] [30/360] [30E/360 / Eurobond Basis] [30E/360 (ISDA)]
	(vii) Business Day Convention:	[Not Applicable] [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
15	Floating Periodic Distribution Amount Provisions	[Applicable/Not Applicable]
	(i) Specified Periodic Distribution Dates:	[ ], subject to adjustment in accordance with the Business Day Convention set out in (ii) below/, not subject to any adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
	(ii) Specified Period:	[ ] [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
	(iii) Effective Periodic Distribution Date:	[The date falling [*] Business Days following each Periodic Distribution Date, provided that the Effective Periodic Distribution Date with respect to the last Return Accumulation Period will be the Maturity Date or, if the Issuer elects to redeem the Trust Certificates before the Maturity Date, the date fixed for redemption (include for Payment Delay only)] <sup>1</sup> / [Not Applicable]
	(iv) Business Day Convention:	[Floating Rate Convention/FRN Convention/Eurodollar Convention] [Following Business Day Convention] [Modified Following Business Day Convention / Modified Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
	(v) Manner in which the Rate(s) is/are to be determined:	[Screen Rate Determination (Condition 8.3 ( <i>Screen Rate Determination</i> ) applies)]

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<sup>1</sup> Effective Periodic Distribution Dates should be at least 5 Business Days after the Periodic Distribution Dates, unless otherwise agreed with the Principal Paying Agent.

- (vi) Party responsible for calculating the Rate(s) and/or Periodic Distribution Amount(s) (if not the Principal Paying Agent): [Not Applicable/[Name] shall be the Calculation Agent]
- (vii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [[EURIBOR] calculated in accordance with Condition 8.3 (*Screen Rate Determination for Floating Rate Trust Certificates not referencing SONIA, SOFR or €STR*)] / [[€STR/SONIA/SOFR] calculated in accordance with Condition 8.4 (*Screen Rate Determination for Floating Rate Trust Certificates referencing SONIA, SOFR or €STR*)]
  - Periodic Distribution Determination Dates(s): [ ]/[The date falling [ ] Business Days prior to the first day of each Return Accumulation Period]/[First day of each Return Accumulation Period]/[The [first/second/third/[ ]] Business Day immediately preceding the Periodic Distribution Date for each Return Accumulation Period (or immediately preceding such earlier date, if any, on which the Trust Certificates are due and payable).][provide details]/[The Periodic Distribution Date at the end of each Return Accumulation Period; provided that the Periodic Distribution Determination Date with respect to the last Return Accumulation Period prior to the Maturity Date or the date fixed for redemption will be the Rate Cut-off Date - *Include this wording for Payment Delay only*]]<sup>2</sup>
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ]
  - Relevant Financial Centre: [ ]
  - Reference Banks: [ ]
  - Calculation Method: [Compounded Daily] / [Weighted Average] / [Not Applicable]
  - Observation Method: [Lag]/[Lock-out] / [Observation Shift] / [Payment Delay] / [SOFR Index] / [Not Applicable]

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<sup>2</sup> To be at least 5 Business Days before the relevant Periodic Distribution Date where the Reference Rate is SONIA, SOFR or €STR.

- Observation Look-back Period: [ ]/ [SOFR Index] / [Not Applicable]<sup>3</sup>
  - D: [365]/[360]/[ ]/[Not Applicable]
  - Rate Cut-off Date: [The date falling [ ] Business Days prior to the Maturity Date or the date fixed for redemption, as applicable – used for Payment Delay only]<sup>4</sup>/[Not Applicable]
- (viii) Margin(s): [Not Applicable/[+/-][ ] per cent. per annum]
- (ix) Day Count Fraction: [Actual/Actual (ICMA)]  
 [Actual/Actual (ISDA)]  
 [Actual/365 (Fixed)]  
 [Actual/360]  
 [30/360]  
 [30E/360 / Eurobond Basis]  
 [30E/360 (ISDA)]

### PROVISIONS RELATING TO DISSOLUTION

- 16 Optional Dissolution (Call) [Applicable/Not Applicable]
- Optional Dissolution Amount (Call) [Final Dissolution Amount/[ ] per Calculation Amount]
  - Optional Dissolution Date (Call) [Any Periodic Distribution Date] [ ]
  - Notice period: [ ]
- 17 Final Dissolution Amount [[ ] per Calculation Amount] [ ]
- 18 Early Dissolution Amount (Tax): [Final Dissolution Amount/[ ] per Calculation Amount]
- 19 Dissolution Event As listed in sub-paragraphs (a) to [(f)] inclusive of Condition 14 (*Dissolution Events*)

### GENERAL PROVISIONS APPLICABLE TO THE TRUST CERTIFICATES

- 20 Additional Financial Centre(s) or other special provisions relating to Periodic Distribution Dates: [ ]

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<sup>3</sup> The length of the Observation Look-back Period should be at least as many Business Days as the period between the Periodic Distribution Date and the Periodic Distribution Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable".

<sup>4</sup> The Rate Cut-off Date should be at least 5 Business Days before the Maturity Date or the date fixed for redemption, unless otherwise agreed with the Principal Paying Agent.

- 21 Additional Business Centre(s): [Not Applicable] [ ]
- 22 RMB Settlement Centre(s): [Not Applicable] [ ]
- 23 Form of Trust Certificates: Global Trust Certificate registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]

**DISTRIBUTION**

- 24 If syndicated, names of Managers: [Not Applicable] [ ]
- 25 If non-syndicated, name of Dealer: [Not Applicable] [ ]
- 26 U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- 27 Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- 28 Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]

**PROVISIONS IN RESPECT OF THE PORTFOLIO**

- 29 Details of Transaction Account: [IDB Trust Services Limited / IsDB Trust Services No.2 SARL] Transaction Account No: [ ] with [ ] for Series No.: [ ]

**[THIRD PARTY INFORMATION**

[Relevant third party information] has been extracted from [specify source]. Each of the Issuer and the IsDB confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **[IDB Trust Services Limited / IsDB Trust Services No.2 SARL]:**

By: .....  
Duly authorised

Signed on behalf of the **Islamic Development Bank:**

By: .....  
Duly authorised

## Part B – Other Information

### 1 LISTING

- (i) Listing: [Euronext Dublin] [Nasdaq Dubai] [Taipei Exchange]<sup>5</sup>
- (ii) Admission to trading: [Application [has been] [will be] made by the Issuer (or on its behalf) for the Trust Certificates to be admitted to trading on [each of] the [Euronext Dublin's regulated market] [and] [Nasdaq Dubai] [and] [Taipei Exchange] with effect from [ ].]

### 2 RATINGS

- Ratings: The Trust Certificates to be issued [have been rated/are expected to be rated]:
- [S & P: [ ]]
- [Moody's: [ ]]
- [Fitch: [ ]]

### 3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

[Save for any fees payable to the [Manager[s]/Dealers] and save as discussed in "*Subscription and Sale*" of the Base Prospectus, so far as the Issuer or the IsDB is aware, no person involved in the offer of the Trust Certificates has an interest material to the offer. The [Manager[s]/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer or the Guarantor and their affiliates in the ordinary course of business for which they may receive fees.]

### 4 ESTIMATED TOTAL EXPENSES

Estimated total expenses related to the admission to trading: [ ]

### 5 [YIELD] *(Fixed Periodic Distribution Amount Trust Certificates only)*

Indication of yield: [ ] [per cent. per annum]

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

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<sup>5</sup> Neither Nasdaq Dubai nor the Taipei Exchange are regulated markets under the Markets in Financial Instruments Directive (Directive 2014/65/EU) (as amended).

**6 [HISTORIC RATES]**

*(Floating Periodic Distribution Amount Trust Certificates only)*

Details of historic [EURIBOR] rates can be obtained from [Reuters].]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

**7 OPERATIONAL INFORMATION**

- (i) ISIN: [ ] / [Until the Trust Certificates are consolidated, become fungible with and form a single series with the Original Trust Certificates, the Trust Certificates will have the temporary ISIN [ ]. After that, the Trust Certificates will have the same ISIN as the Original Trust Certificates, which is [ ]].
- (ii) Common Code: [ ] / [Until the Trust Certificates are consolidated, become fungible with and form a single series with the Original Trust Certificates, the Trust Certificates will have the temporary Common Code [ ]. After that, the Trust Certificates will have the same Common Code as the Original Trust Certificates, which is [ ]].
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable] [ ]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of initial paying agent(s): [ ] [HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
United Kingdom]
- (vi) Names and addresses of additional paying agent(s) (if any): [ ] [Not Applicable]
- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation "yes" simply means that the Trust Certificates are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper and does not necessarily mean that the Trust Certificates will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem



eligibility criteria be amended in the future such that the Trust Certificates are capable of meeting them the Trust Certificates may then be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Trust Certificates will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## **8 USE AND ESTIMATED NET AMOUNT OF PROCEEDS**

The net proceeds shall be used by the Issuer in accordance with the section of the Base Prospectus titled "*Use of Proceeds*". The net proceeds that the IsDB receives from the Issuer will be used by the IsDB [for general corporate purposes]/[to finance or refinance eligible projects in accordance with its Sustainable Finance Framework].

The estimated net amount of the proceeds is [*currency*][*amount*].

## FORM OF PRICING SUPPLEMENT

### EXEMPT CERTIFICATES OF ANY DENOMINATION

*[Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Certificates, whatever the denomination of those Certificates, issued under the Programme.]*

**NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 (THE PROSPECTUS REGULATION) FOR THE ISSUE OF CERTIFICATES DESCRIBED BELOW AND THE EXEMPT CERTIFICATES ARE NOT COMPLIANT WITH THE PROSPECTUS REGULATION. THE CENTRAL BANK OF IRELAND HAS NEITHER APPROVED NOR REVIEWED THIS PRICING SUPPLEMENT.**

**[MIFID II PRODUCT GOVERNANCE – [appropriate target market legend to be included].]**

**[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – [appropriate target market legend to be included].]**

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS –** The Trust 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**); or (ii) a customer within the meaning of Directive 2016/97/EU, 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 (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 Trust Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Trust Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS –** The Trust 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 (**EUWA**); (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 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 Trust Certificates or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Trust Certificates or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**[Singapore Securities and Futures Act Product Classification –** Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (as modified or amended from time to time, the **SFA**) and pursuant to the CMP Regulations 2018, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Trust 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) 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).]

[Date]

**[IDB Trust Services Limited / IsDB Trust Services No.2 SARL]**  
**Legal entity identifier (LEI): [213800VKLEPJ95I3W549 / 222100S88XMYHA1E3547]**  
**Issue of [currency][amount] Trust Certificates due [year]**  
**[to be consolidated and form a single series with the existing [currency][amount] Trust Certificates due [year] issued on [date]]**

with, *inter alia*, the benefit of a Guarantee (in respect of the payment obligations arising under the Portfolio of the relevant Series of Trust Certificates) provided by

**THE ISLAMIC DEVELOPMENT BANK**  
under the  
**U.S.\$25,000,000,000**  
**Trust Certificate Issuance Programme**

**PART A — CONTRACTUAL TERMS**

This document constitutes the Pricing Supplement for the Trust Certificates described herein. This document must be read in conjunction with the base prospectus dated 19 April 2022 [as supplemented by the supplement[s] dated [date[s]]] (the **Base Prospectus**). Full information on the Issuer [, the Guarantor] and the offer of the Certificates is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. Copies of the Base Prospectus may be obtained from <https://www.euronext.com/en/markets/dublin>.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus.

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]*

- 1 (i) Issuer, Trustee: [IDB Trust Services Limited / IsDB Trust Services No.2 SARL]
- (ii) Issuer, Trustee LEI: [213800VKLEPJ95I3W549 / 222100S88XMYHA1E3547]
- (iii) Guarantor (in respect of payment obligations under the Portfolio): The Islamic Development Bank (the **IsDB**)
- 2 Series Number: [ ]
- (i) Tranche Number: [ ]

	(ii) Date on which the Trust Certificates will be consolidated and form a single Series:	[The Trust Certificates will be consolidated and form a single Series with [identify earlier Tranche(s)] (the <b>Original Trust Certificates</b> ) on [insert date/the Issue Date]] [Not Applicable]
3	Specified Currency or Currencies:	[ ]
4	Aggregate Nominal Amount:	
	(i) Series:	[ ]
	(ii) Tranche:	[ ]
5	Issue Price:	[ ] per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations: ( <i>this means the minimum integral amount in which Transfer can be made</i> ).	[ ] and integral multiples of [ ] in excess thereof
	(ii) Calculation Amount:	[ ]
7	(i) Issue Date:	[ ]
	(ii) Return Accrual Commencement Date:	[The Issue Date][ ]
8	Maturity Date:	[ ]
		<i>(Note that for Renminbi denominated Fixed Rate Trust Certificates where the Periodic Distribution Dates and the amount of profit to be paid on such Periodic Distribution Dates are subject to modification in accordance with a Business Day Convention, it will be necessary to use the following wording:</i>
		<i>"Periodic Distribution Date falling in or nearest to[specify month]"</i> )
9	Periodic Distribution Amount Basis:	[[ ] per cent. per annum] Fixed Periodic Distribution Amount] [[ ] +/-[ ] per cent. per annum Floating Periodic Distribution Amount] [Screen Rate Determination] ( <i>further particulars specified below</i> )
10	Dissolution Basis:	[Dissolution at par] [ ]
11	Change of Periodic Distribution Amount or Dissolution Basis:	[ ] [Not Applicable]

- 12 (i) Call Options: [Not Applicable/Optional Dissolution Call] [(further particulars specified below)]
- (ii) Date Board approval for issuance of Trust Certificates obtained: [Not Applicable] [ ]
- 13 Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO PERIODIC DISTRIBUTION AMOUNTS (IF ANY) PAYABLE**

- 14 Fixed Periodic Distribution Amount Provisions [Applicable/Not Applicable]
- (i) [Fixed Amount: [ ] per Calculation Amount]
- (ii) Periodic Distribution Date(s): [ ] in each year[, starting on [ ] up to and including the Maturity Date] [adjusted in accordance with [ ]]
- (For Renminbi denominated Fixed Rate Trust Certificates where the Periodic Distribution Dates and the amount of profit to be paid on such Periodic Distribution Dates are subject to modification, specify a Business Day Convention in paragraph 14(vii) below (which is expected to be the Modified Following Business Day Convention) and add the words", subject to adjustment in accordance with the Business Day Convention. For these purposes, **Business Day** means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong and [location]" in this subparagraph (ii))*
- (iii) Rate(s): [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (iv) Return Accumulation Period: [Condition 7.5 (Return Accumulation Period) applies] [ ]
- (v) Broken Amount(s): [[ ] per Calculation Amount, payable on the Period Distribution Date falling [in/on] [ ]][Not Applicable]
- (vi) Day Count Fraction: [Actual/Actual (ICMA)]  
 [Actual/Actual (ISDA)]  
 [Actual/365 (Fixed)] (*Applicable for Renminbi denominated Fixed Rate Trust Certificates*)  
 [Actual/360]  
 [30/360]  
 [30E/360 / Eurobond Basis]  
 [30E/360 (ISDA)]
- (vii) Business Day Convention: [Not Applicable] [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]

15	Floating Periodic Distribution Amount Provisions	[Applicable/Not Applicable]
	(i) Specified Periodic Distribution Dates:	[ ], subject to adjustment in accordance with the Business Day Convention set out in (ii) below/, not subject to any adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
	(ii) Specified Period:	[ ] [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
	(iii) Effective Periodic Distribution Date:	[The date falling [•] Business Days following each Periodic Distribution Date, provided that the Effective Periodic Distribution Date with respect to the last Return Accumulation Period will be the Maturity Date or, if the Issuer elects to redeem the Trust Certificates before the Maturity Date, the date fixed for redemption (include for Payment Delay only)] <sup>6</sup> / [Not Applicable]
	(iv) Business Day Convention:	[Floating Rate Convention/FRN Convention/Eurodollar Convention] [Following Business Day Convention] [Modified Following Business Day Convention / Modified Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
	(v) Manner in which the Rate(s) is/are to be determined:	[Screen Rate Determination (Condition 8.3 ( <i>Screen Rate Determination</i> ) applies)] [ ]
	(vi) Party responsible for calculating the Rate(s) and/or Periodic Distribution Amount(s) (if not the Principal Paying Agent):	[Not Applicable/[Name] shall be the Calculation Agent]
	(vii) Screen Rate Determination:	[Applicable/Not Applicable]
	– Reference Rate:	[[EURIBOR] calculated in accordance with Condition 8.3 ( <i>Screen Rate Determination for Floating Rate Trust Certificates not referencing SONIA, SOFR or €STR</i> )] / [[€STR/SONIA/SOFR] calculated in accordance with Condition 8.4 ( <i>Screen Rate Determination for Floating Rate Trust Certificates referencing SONIA, SOFR or €STR</i> )]

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<sup>6</sup> Effective Periodic Distribution Dates should be at least 5 Business Days after the Periodic Distribution Dates, unless otherwise agreed with the Principal Paying Agent.

- Periodic Distribution Determination Dates(s): [ ]/[The date falling [ ] Business Days prior to the first day of each Return Accumulation Period]/[First day of each Return Accumulation Period]/[The [first/second/third/[ ] Business Day immediately preceding the Periodic Distribution Date for each Return Accumulation Period (or immediately preceding such earlier date, if any, on which the Trust Certificates are due and payable).][provide details]/[The Periodic Distribution Date at the end of each Return Accumulation Period; provided that the Periodic Distribution Determination Date with respect to the last Return Accumulation Period prior to the Maturity Date or the date fixed for redemption will be the Rate Cut-off Date - *Include this wording for Payment Delay only*]]<sup>7</sup>
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ]
  - Relevant Financial Centre: [ ]
  - Reference Banks: [ ]
  - Calculation Method: [Compounded Daily] / [Weighted Average] / [Not Applicable]
  - Observation Method: [Lag]/[Lock-out] / [Observation Shift] / [Payment Delay] / [SOFR Index] / [Not Applicable]
  - Observation Look-back Period: [ ]/[SOFR Index] / [Not Applicable]<sup>8</sup>
  - D: [365]/[360]/[ ]/[Not Applicable]
  - Rate Cut-off Date: [The date falling [ ] Business Days prior to the Maturity Date or the date fixed for redemption, as applicable – used for Payment Delay only]<sup>9</sup>/[Not Applicable]
- (viii)Margin(s): [Not Applicable/[+/-][ ] per cent. per annum]

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<sup>7</sup> To be at least 5 Business Days before the relevant Periodic Distribution Date where the Reference Rate is SONIA, SOFR or €STR.

<sup>8</sup> The length of the Observation Look-back Period should be at least as many Business Days as the period between the Periodic Distribution Date and the Periodic Distribution Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable".

<sup>9</sup> The Rate Cut-off Date should be at least 5 Business Days before the Maturity Date or the date fixed for redemption, unless otherwise agreed with the Principal Paying Agent.

(ix) Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [30E/360 / Eurobond Basis] [30E/360 (ISDA)]
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## PROVISIONS RELATING TO DISSOLUTION

16	Optional Dissolution (Call)	[Applicable/Not Applicable]
	– Optional Dissolution Amount (Call)	[Final Dissolution Amount/[ ] per Calculation Amount]
	– Optional Dissolution Date (Call)	[Any Periodic Distribution Date] [ ]
	– Notice period:	[ ]
17	Final Dissolution Amount	[[ ] per Calculation Amount] [ ]
18	Early Dissolution Amount (Tax):	[Final Dissolution Amount/[ ] per Calculation Amount]
19	Dissolution Event	As listed in sub-paragraphs (a) to [(f)] inclusive of Condition 14 ( <i>Dissolution Events</i> )

## GENERAL PROVISIONS APPLICABLE TO THE TRUST CERTIFICATES

20	Additional Financial Centre(s) or other special provisions relating to Periodic Distribution Dates:	[ ]
21	Additional Business Centre(s):	[Not Applicable] [ ]
22	RMB Settlement Centre(s):	[Not Applicable] [ ]
23	Form of Trust Certificates:	Global Trust Certificate registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the NSS)]
24	Other terms or special conditions:	[Not Applicable] [ ]

## DISTRIBUTION

25	If syndicated, names of Managers:	[Not Applicable] [ ]
26	If non-syndicated, name of Dealer:	[Not Applicable] [ ]
27	Additional selling restrictions:	[Not Applicable] [See Schedule [ ] of the [subscription] agreement dated [ ]]



- 28 U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- 29 Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- 30 Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]

**PROVISIONS IN RESPECT OF THE PORTFOLIO**

- 31 Details of Transaction Account: [IDB Trust Services Limited / IsDB Trust Services No.2 SARL] Transaction Account No: [ ] with [ ] for Series No.: [ ]

**[THIRD PARTY INFORMATION**

Each of [IDB Trust Services Limited / IsDB Trust Services No.2 SARL] and the IsDB accepts responsibility for the information contained in this Pricing Supplement. [*Relevant third party information*] has been extracted from [*specify source*]. Each of the Issuer and the IsDB confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **[IDB Trust Services Limited / IsDB Trust Services No.2 SARL]:**

By: .....

Duly authorised

Signed on behalf of the **Islamic Development Bank:**

By: .....

Duly authorised

## Part B – Other Information

### 1 LISTING

- (i) Listing  [None]
- (ii) Admission to trading  [Application has been made by the Issuer (or on its behalf) for the Trust Certificates to be admitted to trading on [ ] with effect from [ ].]  [Application is expected to be made by the Issuer (or on its behalf) for the Trust Certificates to be admitted to trading on [ ] with effect from [ ].]  [Not Applicable.]

### 2 RATINGS

- Ratings:  The Trust Certificates to be issued [have been/are expected to be] rated:
- [S & P: [ ]]
- [Moody's: [ ]]
- [Fitch: [ ]]

### 3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

[Save for any fees payable to the [Manager[s]/Dealers] and save as discussed in "*Subscription and Sale*" of the Base Prospectus, so far as the Issuer or the IsDB is aware, no person involved in the offer of the Trust Certificates has an interest material to the offer. The [Manager[s]/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer or the Guarantor and their affiliates in the ordinary course of business for which they may receive fees.]

### 4 ESTIMATED TOTAL EXPENSES

Estimated total expenses related to the  [Not Applicable] admission to trading:

### 5 [YIELD] *(Fixed Periodic Distribution Amount Trust Certificates only)*

Indication of yield:  [per cent. per annum]

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

### 6 [HISTORIC RATES] *(Floating Periodic Distribution Amount Trust Certificates only)*

Details of historic [EURIBOR] rates can be obtained from [Reuters].]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

## 7 OPERATIONAL INFORMATION

- (i) ISIN Code: [ ] / [Until the Trust Certificates are consolidated, become fungible with and form a single series with the Original Trust Certificates, the Trust Certificates will have the temporary ISIN [ ]. After that, the Trust Certificates will have the same ISIN as the Original Trust Certificates, which is [ ]].
- (ii) Common Code: [ ] / [Until the Trust Certificates are consolidated, become fungible with and form a single series with the Original Trust Certificates, the Trust Certificates will have the temporary Common Code [ ]. After that, the Trust Certificates will have the same Common Code as the Original Trust Certificates, which is [ ]].
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): [Not Applicable] [ ]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of initial paying agent(s): [ ][ HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
United Kingdom]
- (vi) Names and addresses of additional paying agent(s) (if any): [ ][Not Applicable]

## 8 USE OF PROCEEDS

The net proceeds shall be used by the Issuer in accordance with the section of the Base Prospectus titled "*Use of Proceeds*". The net proceeds that the IsDB receives from the Issuer will be used by the IsDB [for general corporate purposes]/[to finance or refinance eligible projects in accordance with its Sustainable Finance Framework].

## FORM OF TRUST CERTIFICATES

Trust Certificates issued under the Programme will only be issued in registered form. Trust Certificates will be issued outside the United States in reliance on Regulation S under the Securities Act. Each Series of Trust Certificates will be evidenced by a permanent Global Trust Certificate which will be: (i) deposited with, and registered in the name of a nominee for, a common depository for Euroclear and Clearstream Luxembourg; or (ii) held under the NSS, in which case the Global Trust Certificate will be delivered to, and registered in the name of a nominee of, a common safekeeper for Euroclear and Clearstream, Luxembourg. Only in the exceptional circumstances outlined below will individual registered trust certificates (**Individual Trust Certificates**) evidencing holdings of Trust Certificates to be issued in exchange for the Global Trust Certificate relating to the relevant Series.

Depositing the Global Trust Certificates with a common safekeeper for Euroclear and Clearstream, Luxembourg does not necessarily mean that the Trust Certificates will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life (**Eurosystem Eligibility**). Such recognition will depend upon satisfaction of the Eurosystem Eligibility criteria.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the beneficial holder of a Trust Certificate represented by a Global Trust Certificate must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be) for such person's share of each payment made by the relevant Trustee to the registered holder of the Global Trust Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be). Such persons shall have no claim directly against the relevant Trustee in respect of payments due on any Trust Certificates for so long as such Trust Certificates are represented by a Global Trust Certificate and such obligations of the relevant Trustee will be discharged by payments to the registered holder of the relevant Global Trust Certificate in respect of each amount so paid. References in these "*Form of Trust Certificates*" to **Accountholder** are to those persons shown in the records of the relevant clearing system as a holder of a Trust Certificate.

Each Global Trust Certificate will be in registered form and: (i) registered in the name of a nominee for, and deposited on or about the relevant Issue Date with, a common depository for Euroclear and Clearstream, Luxembourg; or (ii) held under the NSS, in which case the Global Trust Certificate will be delivered to, and registered in the name of a nominee of, a common safekeeper for Euroclear and Clearstream, Luxembourg on or prior to the relevant Issue Date. Upon confirmation from the common depository or the common safekeeper that it holds the relevant Global Trust Certificate, Euroclear or Clearstream, Luxembourg, as the case may be, will record book-entry interests in the beneficial owner's account or the participant account through which the beneficial owner holds its interests in such Global Trust Certificate. These book-entry interests will represent the beneficial owner's beneficial interest in the relevant Global Trust Certificate. Beneficial interests in a Global Trust Certificate will be shown on, and the transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their participants. Euroclear and Clearstream, Luxembourg will be notified for each issue where the Global Trust Certificate is held under the NSS whether or not such issue is intended to be held in a manner which would allow Eurosystem Eligibility.

Unless otherwise specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, each Global Trust Certificate will become exchangeable in whole, but not in part, for Individual Trust Certificates only in the limited circumstances specified in the relevant Global Trust Certificate. Beneficial owners of interests in a Global Trust Certificate will only be entitled to receive Individual Trust Certificates under the following limited circumstances:

- (a) if either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention

permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the relevant Trustee acting on the instructions of the IsDB and (if so directed by the Certificateholders) the Delegate is available; or

- (b) if the relevant Trustee would suffer a disadvantage as a result of a change in taxation laws or regulations which would not be suffered were the Trust Certificates in individual registered form and a certificate to such effect signed by a Director of the relevant Trustee and the President (or other duly authorised person) of the IsDB is given to the Delegate; or
- (c) if otherwise specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be.

Thereupon the registered holder of the Global Trust Certificate or the Delegate may present the relevant Global Trust Certificate on any day (other than a Saturday or Sunday) on which banks are open for business in the city in which the Registrar has its office for exchange for the corresponding Individual Trust Certificates.

In no event will Individual Trust Certificates in bearer form be issued. Any Individual Trust Certificate will be issued in registered form in the denominations specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be.

Whenever a Global Trust Certificate is to be exchanged for Individual Trust Certificates, such Individual Trust Certificates will be issued in an aggregate principal amount equal to the principal amount of such Global Trust Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Trust Certificate, Euroclear, Clearstream, Luxembourg, and/or any other relevant clearing system to the Registrar of such information as is required to complete and deliver such Individual Trust Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Trust Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Trust Certificate at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Global Trust Certificates in Schedule 3 (*Register and Transfer of Individual Trust Certificates*) to the Master Trust Deed and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Whilst any Trust Certificates are represented by a Global Trust Certificate, Dissolution Amount and Periodic Distribution Amount payments on the Trust Certificates will be made to the Principal Paying Agent (as defined in the Conditions) and then credited by the Principal Paying Agent to the cash accounts of Euroclear, Clearstream, Luxembourg or their nominee or their common depositary or their common safekeeper as the registered holder of the relevant Trust Certificates. After receipt of any payment from the Principal Paying Agent to the common depositary or the common safekeeper, Euroclear or Clearstream, Luxembourg as the case may be, will credit their respective participants' accounts in proportion to those participants' holdings as shown in the records of Euroclear and Clearstream, Luxembourg, respectively. Payments by participants in Euroclear or Clearstream, Luxembourg to the beneficial owners of the relevant Trust Certificates will be governed by standing instructions, customary practice and any statutory or regulatory requirements as may be in effect from time to time. These payments will be the responsibility of the relevant participant and not of Euroclear, Clearstream, Luxembourg, the Principal Paying Agent or the relevant Trustee.

In addition, each Global Trust Certificate may contain provisions which modify the terms and conditions of the Trust Certificates as they apply to the Trust Certificates evidenced by the Global Trust Certificate. Notwithstanding Condition 17 (*Notices*), so long as any Global Trust Certificate is held on behalf of or for Euroclear, Clearstream, Luxembourg or any other clearing system (an **alternative clearing system**),

notices to the holders of the Trust Certificates represented by such Global Trust Certificate may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or (as the case may be) such alternative clearing system provided that, in the case of any Trust Certificates listed, traded or quoted on a Stock Exchange, publication shall also be made as required by Condition 17 (*Notices*) for so long as the rules of such Stock Exchange so require. Any notice delivered to Euroclear, Clearstream, Luxembourg or (as the case may be) such alternative clearing system shall be deemed to have been given on the day of delivery.

It is a condition of the Trust Certificates that the relevant Trustee is entitled to rely and bound to act only on the instructions of the Delegate acting on directions of the Certificateholders. It is a term of the Trust Certificates that whilst the Trust Certificates are in global form, for the purposes of convening meetings of Certificateholders and obtaining instructions from Certificateholders and exercising discretions on their behalf, the Delegate (but not such Trustee) shall treat the Accountholders as if they were Certificateholders.

The IsDB will be entitled to convene and attend at meetings of Certificateholders but will not be entitled to vote at any such meetings.

### **Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg each holds securities for their Accountholders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective Accountholders.

Euroclear and Clearstream, Luxembourg each provides various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective Accountholders may settle trades with each other.

Accountholders in both Euroclear and Clearstream, Luxembourg are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

An Accountholder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective accountholders and have no record of or relationship with persons holding through their respective accountholders.

### **Taiwan Settlement and Trading (applicable only for Trust Certificates to be listed on and admitted to trading on the Taipei Exchange)**

Neither of the Issuers has entered into any settlement agreement with Taiwan Depository & Clearing Corporation (TDCC) and has no intention to do so.

In the future, if the relevant Issuer enters into a settlement agreement with TDCC, an investor that has a securities book-entry account with an ROC securities broker and a foreign currency deposit account with an ROC bank may settle the Trust Certificates through the account of TDCC with Euroclear and Clearstream, if it applies to TDCC (by filing in a prescribed form) to transfer the Trust Certificates in its own account with Euroclear or Clearstream to such TDCC account with Euroclear or Clearstream for trading in the domestic market or vice versa for trading in overseas markets. For settlement through

TDCC, TDCC will allocate the respective Trust Certificates position to the securities book-entry account designated by such investor in Taiwan. The Trust Certificates will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the Taipei Exchange as domestic bonds. For such investors who hold their interest in the Trust Certificates through an account opened and held by TDCC with Euroclear or Clearstream, distributions of principal and/or profit for the Trust Certificates to such Certificateholders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the Certificateholders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the Certificateholders actually receive such distributions may vary depending upon the daily operations of the ROC banks with which the Certificateholder has the foreign currency deposit account.

## USE OF PROCEEDS

The net proceeds of each Series of Trust Certificates issued under the Programme will be applied by the relevant Issuer for the purchase of the Portfolio of the relevant Series by such Issuer from the IsDB. The net proceeds that the IsDB receives from the sale of the Portfolio to such Issuer will be used by it for general corporate purposes or to finance or refinance eligible projects in accordance with the IsDB's Sustainable Finance Framework (available on the IsDB's website at <https://www.isdb.org/what-we-do/investor-relations>), in each case, as specified in the Final Terms or Pricing Supplement, as the case may be.

The Sustainable Finance Framework and any associated reports, verification assessments or opinions, and the contents of the website referenced in this “*Use of Proceeds*” section, are not incorporated in or form part of the Base Prospectus.



## DESCRIPTION OF IDB TRUST SERVICES LIMITED

### Introduction

IDB Trust Services Limited was incorporated in Jersey on 17 February 2005 as a limited par value company pursuant to the Companies (Jersey) Law 1991, with registered number 89541. The registered office of IDB Trust Services Limited is 44 Esplanade, St Helier, Jersey JE4 9WG and its telephone number is +44 1534 504000. The authorised share capital of IDB Trust Services Limited at the date of this Base Prospectus is £10,000, divided into 10,000 shares of £1.00 each. The issued share capital of IDB Trust Services Limited is £2.00 divided into two shares of £1.00 each.

All of the issued shares of IDB Trust Services Limited are held by or on behalf of Intertrust Corporate Trustee (Jersey) Limited as share trustee, under the terms of a declaration of trust dated 16 February 2005 establishing a charitable trust.

The principal objects of IDB Trust Services Limited are set out in its memorandum of association and these permit IDB Trust Services Limited to act as trustee generally and to issue trust certificates in respect of any such trust, to borrow or raise money and to grant security over its assets for the performance of its obligations or the payment of money.

IDB Trust Services Limited was established to raise capital by the issue of Trust Certificates and to use the net proceeds of such issuance to purchase the Portfolio in accordance with the Master Purchase Agreement and each Supplemental Purchase Agreement.

Since its incorporation, IDB Trust Services Limited has not engaged in any material activities other than those incidental to its registration as a limited par value company under the Companies (Jersey) Law 1991, the authorisation and issue of the Trust Certificates, the matters contemplated in this Base Prospectus, the authorisation of the other Programme Documents referred to in this Base Prospectus or in connection with the issue of the Trust Certificates and other matters which are incidental or ancillary to those activities. IDB Trust Services Limited has no employees.

There is no intention to accumulate surplus cash in IDB Trust Services Limited except in the circumstances set out in the Master Trust Deed and (if applicable) the relevant Supplemental Trust Deed. There is no requirement under Jersey law for IDB Trust Services Limited to register or publish audited or unaudited accounts, although IDB Trust Services Limited has published audited accounts for previous years. The audited accounts of IDB Trust Services Limited for the period ended 31 December 2019 and for the year ended 31 December 2020 and subsequent annual audited accounts will be made available for inspection by Certificateholders at the registered office of IDB Trust Services Limited within seven days of such reports and accounts being delivered to IDB Trust Services Limited. In addition, such accounts will be made available for inspection and will be obtainable free of charge on application at the specified office of the Principal Paying Agent. The auditor of the financial statements of IDB Trust Services Limited is BDO Limited of Windward House, La Route de la Liberation, St Helier, Jersey JE1 1BG.

### Directors and Secretary

At the date of this Base Prospectus, the Directors of IDB Trust Services Limited and their respective business addresses and principal activities or business occupations are:

<u>Name</u>	<u>Business Address</u>	<u>Principal Activities Outside IDB Trust Services Limited</u>
Ryan Mendez	44 Esplanade St Helier, Jersey JE4 9WG	Associate Director in fiduciary trust company

Cheryl Heslop                      As above                      Associate director in fiduciary trust company

At the date of this Base Prospectus, the Company Secretary of IDB Trust Services Limited is Intertrust SPV Services Limited (formerly known as Elian SPV Services Limited and Ogier SPV Services Limited) with the business address 44 The Esplanade, St Helier, Jersey JE4 9WG.

Cheryl Heslop is a director and Ryan Mendez is an alternate director of certain subsidiaries of Intertrust Fiduciary Services (Jersey) Limited, including Intertrust SPV Services Limited. Intertrust Fiduciary Services (Jersey) Limited is the holding company of Intertrust Corporate Trustee (Jersey) Limited, the trustee of IDB Trust Services Charitable Trust, and Intertrust SPV Services Limited (formerly known as Elian SPV Services Limited and Ogier SPV Services Limited), the secretary of and corporate services provider to IDB Trust Services Limited.

There are no potential conflicts of interest between any duties toward IDB Trust Services Limited of any of the persons referred to above and their respective private interests and/or duties.

IDB Trust Services Limited's activities will comprise the issue of Trust Certificates, the purchase of the Portfolio pursuant to the Master Purchase Agreement, the Supplemental Purchase Agreement and the Additional Portfolio Assets Sale Undertaking Deed, the entering into all documents relating to such issue and purchase to which it is expressed to be a party and the exercise of related rights and powers and other activities referred to in this Base Prospectus or reasonably incidental to those activities.

## DESCRIPTION OF ISDB TRUST SERVICES NO.2 SARL

### Introduction

IsDB Trust Services No.2 SARL was incorporated in Luxembourg on 15 September 2020 as a private limited liability company (*société à responsabilité limitée*) pursuant to the Luxembourg law of 10 August 1915 on commercial companies (the **1915 Law**), and is registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés*, Luxembourg) under number B247570. The registered office of IsDB Trust Services No.2 SARL is at 6, rue Eugène Ruppert, L-2453 Luxembourg and its telephone number is +352 26 44 91. The issued share capital of IsDB Trust Services No.2 SARL is EUR 12,000 divided into 12,000 shares with a nominal value of EUR 1 each. All of IsDB Trust Services No.2 SARL's shares are held by Intertrust Fiscal Trustee a.r.l.

The corporate objects of IsDB Trust Services No.2 SARL are set out in its articles of association and these permit IsDB Trust Services No.2 SARL to act as trustee generally and to issue trust certificates in respect of any such trust, to borrow or raise money and to grant security over its assets for the performance of its obligations or the payment of money.

IsDB Trust Services No.2 SARL was established to raise capital by the issue of Trust Certificates and to use the net proceeds of such issuance to purchase the Portfolio in accordance with the Master Purchase Agreement and each Supplemental Purchase Agreement.

IsDB Trust Services No.2 SARL's activities will comprise the issue of Trust Certificates, the purchase of the Portfolio pursuant to the Master Purchase Agreement, the Supplemental Purchase Agreement(s) and the Additional Portfolio Assets Sale Undertaking Deed, the entering into all documents relating to such issue and purchase to which it is expressed to be a party and the exercise of related rights and powers and other activities referred to in this Base Prospectus or reasonably incidental to those activities.

Since its incorporation, IsDB Trust Services No.2 SARL has not engaged in any material activities other than those incidental to its registration as a private limited liability company (*société à responsabilité limitée*) under the 1915 Law, the authorisation of the Trust Certificates, the matters contemplated in this Base Prospectus, the authorisation of the other Programme Documents referred to in this Base Prospectus or in connection with the issue of the Trust Certificates and other matters which are incidental or ancillary to those activities. IsDB Trust Services No.2 SARL has no employees.

There is no intention to accumulate surplus cash in IsDB Trust Services No.2 SARL except in the circumstances set out in the Master Trust Deed and (if applicable) the relevant Supplemental Trust Deed.

### Managers

At the date of this Base Prospectus, Mr. Claudio Chirco is the IsDB Trust Services No.2 SARL's sole manager, having an unlimited term.

There are no potential conflicts of interest between any duties toward IsDB Trust Services No.2 SARL of the manager and his private interests and/or duties.

IsDB Trust Services No.2 SARL has no employees.

## DESCRIPTION OF THE ISDB

*The following description includes financial information as at and for year ended 31 December 2020 and as at and for the year ended 31 December 2019 derived from the 2020 Financial Statements. The*

2020 Financial Statements have been approved by the Board of Governors (as defined below) on 4 September 2021.

*The following description also includes information derived from the annual reports of the IsDB-OCR for the year ended 31 December 2020 and the year ended 31 December 2019. Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.*

## **INTRODUCTION**

The Islamic Development Bank (the **IsDB**) was established on 24 Rajab 1394H (12 August 1974) pursuant to the articles of agreement (the **Articles of Agreement**) among and between its founding Member Countries and began operating as a multilateral development bank on 15 Shawwal 1395H (20 October 1975).

The IsDB's purpose is to foster the economic development and social progress of its Member Countries as well as of Muslim communities in non-Member Countries in accordance with the principles of Shari'a (Islamic law) (see "*Description of the IsDB—Capital Structure and Ownership—Share Capital—The IsDB Member Countries*" for further details). The IsDB pursues this goal by providing project financing, loans and technical assistance as well as establishing and managing special funds and trust funds.

The principal office of the IsDB is located at 8111 King Khalid Street, Al Nuzlah Al Yamania District – Unit No. 1, Jeddah 22332-2444 in the KSA and its telephone number is +96 612 6361400.

Since January 2018, as part of a shift towards a decentralised business delivery model, the IsDB has established 9 regional hubs in the field: Abuja (Nigeria), Almaty (Kazakhstan), Ankara (Turkey), Cairo (Egypt), Dakar (Senegal), Dhaka (Bangladesh), Jakarta (Indonesia), Rabat (Morocco) and Kampala (Uganda). The operations for Suriname, Guyana, GCC Countries and Yemen are currently being managed from headquarters in Jeddah, Saudi Arabia.

These hubs are responsible and accountable for the IsDB's business development, delivery, revenue generation, resource mobilisation, and branding initiatives and activities in the Member Countries. The IsDB believes this decentralised field presence has allowed the IsDB to shift its focus towards becoming an open platform to allow active engagement in the IsDB's project life cycle, programmes and resource mobilisation initiatives. The decentralised regional hubs are supervised by a single-point delegation of authority and are monitored by an accountability team to ensure that the regional hubs are accountable for the execution of the IsDB's annual targets for business development, delivery, resource mobilisation and revenue generation.

## **MISSION**

The IsDB's mission, as stated in its Vision 1440, is to promote comprehensive human development, with a focus on the priority areas of alleviating poverty, improving health, promoting education, improving governance and prospering people. The IsDB hopes to achieve this by becoming a premier provider of development financing, based on Islamic finance principles, focusing on comprehensive human development both within and beyond the Muslim world.

The IsDB developed its Member Country Partnership Strategy (**MCPS**) as a cornerstone of its strategic dialogue with its Member Countries. The MCPS is a partnership with Member Countries in collaboration with other multilateral development banks and is geared at shifting the focus in the Member Country's development towards larger scale projects in infrastructure development, human development, and agriculture and rural development. The IsDB has completed the formulation of 2 MCPS: (1) Gabon,

approved by the IsDB's Board of Executive Directors in February 2020; and (2) Maldives, approved by the Board of Executive Directors in February 2021. In addition, 6 MCPS are currently under formulation: Senegal, Guinea, Nigeria, Niger, Indonesia and Morocco. The IsDB intends to finalise and launch these 6 MCPSs in 2022, to be founded on Member Countries' national development plans, amenable to their changing post-Covid-19 priorities and aligned with the IsDB's core mandate.

## LEGAL STATUS AND OVERVIEW OF THE ISDB GROUP

### Legal Status of the IsDB

The IsDB is an international organisation and derives its legal personality from public international law. As a result, it is able to enter into contracts, acquire and dispose of property and take legal action. The Articles of Agreement have been signed and ratified or accepted by each of the IsDB's Member Countries.

As a supranational institution, the IsDB is not subject to national banking regulation and is not supervised by any external regulatory authority. It is, however, closely supervised by the Board of Governors of the IsDB (the **Board of Governors**) and the Board of Executive Directors of the IsDB (the **Board of Executive Directors**) (see "*Description of the IsDB—Organisation and Management—Board of Governors*" and "*Description of the IsDB—Organisation and Management—Board of Executive Directors*" for further details). Moreover, in each Member Country the IsDB has been granted an exemption from all taxes and tariffs on assets, property or income, and from any liability involving payment, withholding or collection of any taxes.

The IsDB is required to carry out its activities in accordance with the principles of Shari'a. The fundamental principle underlying the Shari'a approach to financial matters is that to earn a profit it is always necessary to take a risk. The concept of a bank deposit or bank loan that earns interest but whose principal must be repaid in full does not fit in with this underlying principle. In practice, the Shari'a financing approach means that all Islamic finance is asset based.

The principles of Shari'a are regularly clarified by the Fiqh Academy, an institution established by the Organisation of the Islamic Cooperation (the **OIC**) to interpret and develop Islamic jurisprudence. The IsDB has established its own Shari'a board (the **IsDB Group Shariah Board**) to give its opinion on matters on which the Fiqh Academy has not yet made any pronouncement. In particular, the IsDB submits proposals for transactions and products to be used by the IsDB for the first time (and which raise fundamental issues of Shari'a) to the IsDB Group Shariah Board for a ruling on the conformity of such proposals with the principles of Shari'a.

### Overview of the IsDB Group

The IsDB has participated in the establishment of a number of entities, which are all separate legal entities, with the aim of strengthening its objectives. As at the date of this Base Prospectus, the IsDB-OCR, together with these other entities (collectively, the **IsDB Group**), has evolved into a non-legal group comprising the entities listed below.

- International Islamic Trade Finance Corporation (**ITFC**) – see "*—Operations of the IsDB—2. Activities of the IsDB Group's Entities and Other Funds—IsDB Group Entities—International Islamic Trade Finance Corporation*";
- Islamic Corporation for the Development of the Private Sector (**ICD**) – see "*—Operations of the IsDB—2. Activities of the IsDB Group's Entities and Other Funds—IsDB Group Entities—Islamic Corporation for the Development of the Private Sector*";

- Islamic Research and Training Institute (**IRTI**) – see "*—Operations of the IsDB—2. Activities of the IsDB Group's Entities and Other Funds—IsDB Group Entities—Islamic Research and Training Institute*"; and
- Islamic Corporation for Insurance of Investment and Export Credit (**ICIEC**) – see "*—Operations of the IsDB—2. Activities of the IsDB Group's Entities and Other Funds—IsDB Group Entities—Islamic Corporation for Insurance of Investment and Export Credit*".

ICIEC, ICD and ITFC are established as international financial organisations with full judicial personality and separate and independent governing bodies. Members of the IsDB Group share the common objective of mobilising financial resources in conformity with the Shari'a, for the purposes of project financing, promotion of trade among Member Countries and providing technical assistance. However, the members of the IsDB Group are neither subsidiaries nor affiliates of the IsDB-OCR. The IsDB-OCR has a shareholding only in the ITFC, the ICD and the ICIEC but it has no control of the management, policies or operation of these entities. Moreover, under the Articles of Agreement, by-laws and financial regulations of the IsDB (the **Financial Regulations**), the IsDB-OCR is prohibited from consolidating its accounts with any other entity. The articles of agreement of the ICD and ITFC clearly stipulate that each of them shall be an entity separate and distinct from IsDB-OCR and that their respective funds and accounts shall be kept separate and apart from those of IsDB-OCR. However, the subscription of shares held by IsDB in ICIEC was funded from the resources of the Waqf Fund (as defined below) and not from the IsDB-OCR.

In addition to the above entities, the IsDB has established three special funds and three trust funds (three of which the IsDB continues to manage), namely:

- Islamic Solidarity Fund for Development (**ISFD**) which is a special fund contributed by IsDB and its Member Countries and managed by IsDB – see "*—Operations of the IsDB—2. Activities of the IsDB Group's Entities and Other Funds—Other Funds—Islamic Solidarity Fund for Development*";
- IDB Infrastructure Fund 2 (the **IIF2**) which has taken over the functions of the IDB Infrastructure Fund 1 – see "*—Operations of the IsDB—2. Activities of the IsDB Group's Entities and Other Funds—Other Funds—IDB Infrastructure Fund 2*";
- World Waqf Foundation (**WWF**), a trust fund managed by IsDB on a Mudaraba basis – see "*—Operations of the IsDB—2. Activities of the IsDB Group's Entities and Other Funds—Other Funds—The World Waqf Foundation*";
- Awqaf Properties Investment Fund (**APIF**), a trust fund managed by IsDB on a Mudaraba basis – see "*—Operations of the IsDB—2. Activities of the IsDB Group's Entities and Other Funds—Other Funds—The Awqaf Properties Investment Fund*";
- Special Account Resources Waqf Fund (**Waqf Fund**) which is a special fund managed by IsDB – see "*—Operations of the IsDB—2. Activities of the IsDB Group's Entities and Other Funds—Other Funds—The Waqf Fund*"; and
- Science, Technology and Innovation Fund (**STI Fund**), which is a special fund managed by IsDB – see "*—Operations of the IsDB—2. Activities of the IsDB Group's Entities and Other Funds—Other Funds—Science Technology and Innovation Fund*".

The IsDB has also participated in the establishment of the International Centre for Biosaline Agriculture (**ICBA**) in Dubai, UAE. The government of the UAE has taken full responsibility for the support and

management of ICBA. For further detail on the ICBA, see "*—Operations of the IsDB—2. Activities of the IsDB Group's Entities and Other Funds—Other Funds—The International Centre for Biosaline Agriculture*".

Pursuant to a memorandum of understanding between the KSA and the IsDB, the IsDB has been entrusted with the management of the Sacrificial Meat Utilisation Project of Saudi Arabia (the **Adahi Project**), but the IsDB is not legally or financially responsible for such project. For further detail on the Adahi Project, see – see "*—Operations of the IsDB—2. Activities of the IsDB Group's Entities and Other Funds—Other Funds—Sacrificial Meat Utilisation Project of Saudi Arabia*".

In addition, the IsDB carries out a number of other activities which have an impact on social and economic development in its Member Countries. These include:

- human capital development, by way of providing scholarships and extending training opportunities to individuals engaged in development activities;
- undertaking research in Islamic economics, banking and finance;
- social infrastructure development; and
- support activities for private sector development in Member Countries.

The IsDB also cooperates with other regional and international organisations in a variety of strategic partnerships. For example, the IsDB has on-going working relationships with the World Bank, the African Development Bank, the Asian Development Bank, the Food and Agriculture Organisation (FAO), the World Health Organisation and the International Fund for Agriculture Development (IFAD). In 1436H, the IsDB signed a Strategic Partnership Framework with the World Bank Group (14 October 2015), a Procurement Agency Agreement and a Facility Agreement with Africa Finance Corporation (31 August 2015) as well as nine MOUs with Islamic Financial Services Board (8 July 2015), Islamic Conference Youth Forum for Dialogue and Cooperation (15 June 2015), Qatar Islamic Bank (22 March 2015), GCC Association of Chambers (26 March 2015), Arab Monetary Fund (7 April 2015), Imperial Technology and Medicine, London (ICI), United Kingdom, Organisation of Islamic Conferences (1 February 2015) and the International Renewable Energy Agency (23 March 2015).

Traditionally, the IsDB's cooperation and partnership arrangements have been particularly strong with the members of the coordination group (the **Coordination Group**), an association comprised of three bilateral funds (Abu Dhabi Fund for Development, the Kuwait Fund for Arab Economic Development and the Saudi Fund for Development), one monetary agency (Arab Monetary Fund) and five multilateral development agencies (Arab Bank for Economic Development in Africa, Arab Fund for Economic and Social Development, Arab Gulf Programme for United Nations Development Organisations – AGFUND, OPEC Fund for International Development and the IsDB itself).

The Coordination Group, set up in 1395H (1975), works to achieve greater cohesion and effectiveness in the delivery of Arab aid within Arab, Muslim countries and other developing countries around the world. The nine institutions (comprising the three bilateral funds and the five multilateral development agencies) are either based in the Gulf region or have a large shareholding by an Arab state. Among other joint activities, the Coordination Group shares initiatives and business opportunities; synchronises programmes, harmonises approaches and best practices and forges common positions towards major global initiatives. Recent initiatives include country assistance evaluation, policy formulation, joint promotion of research and development in science and technology, public-private partnership arrangements, and post-conflict recovery and rehabilitation work.

Going forward, the IsDB plans to focus on poverty alleviation, mainly through financing health and education sector projects in Member Countries.

## **CAPITAL STRUCTURE AND OWNERSHIP**

The IsDB-OCR's ordinary operations are funded primarily by its equity, which comprises principally funds derived from paid up share capital and reserves and is supplemented by resources mobilised from the market.

### **Share Capital**

As at 31 December 2020, the IsDB-OCR had an authorised share capital of ID100 billion (U.S.\$144.0 billion), comprised of 10.0 million shares with a par value of ID10,000 (U.S.\$14,402.7) per share.

During the course of 1429H (2008), the IsDB-OCR's subscribed capital was increased from ID15 billion to ID16 billion in accordance with a resolution passed by the Board of Governors during the IsDB's 33rd annual meeting held in Jeddah on 30 Jumad Awwal 1429H (4 June 2008). This increase was approved to accommodate the request of Qatar to increase its subscription to 8.65 per cent. of the IsDB-OCR subscribed capital in order to have the right to appoint a member on the Board of Executive Directors.

On 12 Rajab 1431H (24 June 2010), the IsDB-OCR's subscribed capital was further increased from ID16 billion to ID18 billion in accordance with a resolution passed by the Board of Governors during its 35th annual meeting held in Baku, Azerbaijan. This increase was approved to accommodate the request by Nigeria to increase its subscription to ID1,384 million, or 8.65 per cent. of the IsDB-OCR's subscribed capital. The increase enabled Nigeria to appoint a member to the Board of Executive Directors.

On 12 Rajab 1434H (22 May 2013), the IsDB-OCR's subscribed capital was further increased by ID32 billion from ID18 billion to ID50 billion in accordance with a resolution passed by the Board of Governors during its 38th annual meeting held in Dushanbe, Tajikistan. This fifth general capital increase (**GCI**) is callable but will not be called up unless the IsDB-OCR fails to meet its obligations. In addition, the Board of Governors resolved to call the 50 per cent. cash-callable portion of the fourth GCI over a period of 20 years commencing on 1 January 2016.

On 4 Jumad Al-Awwal 1442H (19 December 2020), the IsDB-OCR's subscribed capital was further increased by ID5.5 billion from ID50 billion to ID55.5 billion (the sixth GCI) in accordance with the resolution passed by the Board of Governors by circulation. The sixth GCI will be available for subscription by all member countries according to the rules and the resolution of the Board of Governors.

As at 31 December 2020, the IsDB-OCR's subscribed share capital was ID 50.3 billion (U.S.\$72.4 billion) and comprised of called-up capital of ID 9.4 billion (U.S.\$13.5 billion) (which, for the IsDB-OCR's internal assessment purposes, comprises of paid-up capital, instalments due but not yet paid and instalments not yet due) and callable capital in the amount of ID 40.9 billion (U.S.\$58.9 billion). Out of the called-up capital, ID 5.9 billion (U.S.\$8.5 billion) was paid in as at 31 December 2020 and ID 3.2 billion (U.S.\$4.6 billion) was not yet due as at 31 December 2020.

The IsDB-OCR's subscribed capital is divided into the following components:

- initial capital, which is the capital paid by countries in order to become members of the IsDB;
- general capital increases, of which there have been six, beginning with the additional capital increase on 27 Rabi Thani 1401H (3 March 1981), the second GCI on 4 Muharram 1413H (4 July 1992), the third GCI on 8 Shabaan 1422H (24 October 2001), the fourth GCI on 4 Jumad



Awwal 1427H (31 May 2006), the fifth GCI on 12 Rajab 1434H (22 May 2013) and the sixth GCI on 4 Jumad Al-Awwal 1442H (19 December 2020); and

- special capital increases, which were approved by the Board of Governors on 13 Jumad Awwal 1405H, 16 Shabaan 1412H, 29 Rajab 1419H, 30 Jumad Awwal 1429H and 12 Rajab 1431H (3 February 1985, 19 February 1992, 18 November 1998, 4 June 2008, and 24 June 2010 respectively) to accommodate the request of certain Member Countries (namely, Turkey, Iran, Egypt, Qatar and Nigeria, respectively) to increase their subscriptions in the IsDB's capital.

The IsDB-OCR's subscribed capital is further subdivided into cash callable capital and capital callable for guarantee. The initial capital, the additional capital increase, the second GCI, 50 per cent. of the fourth GCI and the sixth GCI are cash callable capital. The capital callable for guarantee comprises 100 per cent. of the third and fifth GCIs and the remaining 50 per cent. of the fourth GCI. Capital callable for guarantee is collateral for raising funds from the market and for providing guarantees for its operations which will be called only if the IsDB-OCR fails to meet its obligations in respect of funds raised in the market or guarantees given for its ordinary operations. Member Countries are irrevocably committed to pay their portion of the subscribed capital in question. Calls are made in freely convertible currencies acceptable to the IsDB-OCR. The IsDB-OCR's shares cannot be pledged or encumbered, and cannot be transferred to any entity other than the IsDB-OCR.

#### *The IsDB Member Countries*

Share ownership of the IsDB-OCR is restricted to Member Countries. The basic conditions of membership are that a country must be a member of the OIC and it must pay its contribution to the capital of the IsDB-OCR. As at the date of this Base Prospectus, the IsDB is comprised of 57 Member Countries and the nine principal shareholders (and their respective shareholdings), based on total subscribed capital, are the KSA (23.50 per cent.), Libya (9.43 per cent.), Iran (8.25 per cent.), Nigeria (7.66 per cent.), the UAE (7.51 per cent.), Qatar (7.18 per cent.), Egypt (7.07 per cent.), Kuwait (6.92 per cent.) and Turkey (6.45 per cent.). The IsDB-OCR classifies a Member Country as a principal shareholder if it subscribes to at least 8.65 per cent. of the share capital of the IsDB-OCR outstanding at such time. A principal shareholder's holdings may be subsequently diluted to less than 8.65 per cent. thereafter without necessarily negating its principal shareholder status.

The table below is the IsDB-OCR statement of subscriptions to capital stock and voting power by Member Countries as at 31 December 2020 expressed in million ID.

S/N	Country	Consolidated Position of Subscribed Capital							
		No. of Shares (Units)	Amount in Million ID				Breakdown of Called-up Capital (ID)		
			Called-up	Callable	Total	% of Total	Paid-up	Over due	Not Yet Due
1	Saudi Arabia	1,189,680	2,135.9	9,761.0	11,896.8	23.50%	1,459.2	0.0	676.6
2	Libya	477,166	856.7	3,915.0	4,771.7	9.43%	462.6	122.7	271.4
3	Iran	417,463	749.5	3,425.2	4,174.6	8.25%	504.1	7.9	237.4
4	United Arab Emirates	379,949	682.1	3,117.4	3,799.5	7.51%	464.8	0.0	217.3
5	Nigeria	387,452	695.6	3,178.9	3,874.5	7.66%	253.8	59.3	382.4
6	Qatar	363,236	653.0	2,979.3	3,632.4	7.18%	436.7	0.0	216.4
7	Egypt	357,965	641.9	2,937.7	3,579.7	7.07%	420.0	0.0	221.9
8	Kuwait	350,000	880.9	2,619.1	3,500.0	6.92%	614.1	0.0	266.8
9	Turkey	326,384	585.3	2,678.6	3,263.8	6.45%	376.2	6.7	202.4
10	Algeria	128,559	230.5	1,055.1	1,285.6	2.54%	152.9	0.0	77.7
11	Pakistan	128,559	230.5	1,055.1	1,285.6	2.54%	147.8	3.1	79.7
12	Indonesia	113,795	204.2	933.8	1,138.0	2.25%	144.3	0.0	59.9
13	Malaysia	82,308	147.6	675.5	823.1	1.63%	96.6	0.0	51.0
14	Bangladesh	50,996	91.4	418.5	510.0	1.01%	59.8	0.0	31.6
15	Morocco	25,669	46.0	210.7	256.7	0.51%	30.1	0.0	15.9
16	Yemen	25,862	46.2	212.4	258.6	0.51%	24.8	5.4	16.0

S/N	Country	Consolidated Position of Subscribed Capital							
		No. of Shares (Units)	Amount in Million ID				Breakdown of Called-up Capital (ID)		
			Called-up	Callable	Total	% of Total	Paid-up	Over due	Not Yet Due
17	Sudan	23,295	41.8	191.1	233.0	0.46%	13.9	14.7	13.2
18	Jordan	21,976	39.5	180.3	219.8	0.43%	27.0	0.0	12.5
19	Oman	14,255	25.6	117.0	142.6	0.28%	16.7	0.0	8.8
20	Senegal	14,781	26.5	121.3	147.8	0.29%	9.4	8.8	8.4
21	Iraq	13,505	24.2	110.8	135.1	0.27%	15.8	0.0	8.4
22	Brunei	12,836	23.0	105.3	128.4	0.25%	15.3	0.0	7.7
23	Cameroon	12,836	23.0	105.3	128.4	0.25%	12.0	3.0	8.0
24	Burkina Faso	9,017	23.0	67.2	90.2	0.18%	15.1	0.0	7.9
25	Niger	9,017	23.0	67.2	90.2	0.18%	7.3	7.8	8.0
26	Uganda	6,895	12.4	56.5	69.0	0.14%	12.1	0.3	(0.0)
27	Bahrain	7,245	13.0	59.5	72.5	0.14%	8.5	0.0	4.5
28	Kazakhstan	5,400	9.8	44.2	54.0	0.11%	6.4	0.0	3.4
29	Azerbaijan	5,092	9.1	41.8	50.9	0.10%	6.1	0.0	3.1
30	Mali	5,092	9.1	41.8	50.9	0.10%	6.0	0.0	3.1
31	Gabon	5,458	27.4	27.2	54.6	0.11%	15.4	2.5	9.5
32	Guinea	4,585	23.0	22.8	45.9	0.09%	13.2	1.8	8.0
33	Lebanon	3,577	9.1	26.6	35.8	0.07%	6.0	0.0	3.2
34	Mauritania	3,577	9.1	26.6	35.8	0.07%	5.6	0.4	3.2
35	Tunisia	7,158	18.3	53.3	71.6	0.14%	12.2	0.0	6.1
36	Kyrgyzstan	2,584	4.6	21.2	25.8	0.05%	2.9	0.1	1.6

S/N	Country	Consolidated Position of Subscribed Capital							
		No. of Shares (Units)	Amount in Million ID				Breakdown of Called-up Capital (ID)		
			Called-up	Callable	Total	% of Total	Paid-up	Over due	Not Yet Due
37	Mozambique	2,584	4.6	21.2	25.8	0.05%	2.9	0.2	1.6
38	Maldives	2,584	4.6	21.2	25.8	0.05%	3.0	0.0	1.6
39	Gambia	2,584	4.6	21.2	25.8	0.05%	2.6	0.4	1.6
40	Tajikistan	1,816	4.6	13.5	18.2	0.04%	3.0	0.0	1.6
41	Benin	5,823	10.5	47.8	58.2	0.12%	7.0	0.2	3.3
42	Togo	1,816	4.6	13.5	18.2	0.04%	2.6	0.4	1.6
43	Sierra Leone	1,816	4.6	13.5	18.2	0.04%	2.6	0.5	1.6
44	Palestine	1,955	9.9	9.7	19.6	0.04%	5.7	4.1	0.0
45	Syria	1,849	9.3	9.2	18.5	0.04%	5.0	1.1	3.2
46	Uzbekistan	1,344	3.7	9.7	13.4	0.03%	2.9	0.0	0.8
47	Cote D'Ivoire	1,302	3.6	9.5	13.0	0.03%	3.6	0.0	0.0
48	Comoros	1,302	3.6	9.5	13.0	0.03%	0.6	2.2	0.8
49	Chad	977	4.9	4.9	9.8	0.02%	4.7	0.3	0.0
50	Afghanistan	993	5.0	4.9	9.9	0.02%	5.0	0.0	0.0
51	Suriname	923	4.6	4.6	9.2	0.02%	2.8	0.2	1.6
52	Albania	923	4.6	4.6	9.2	0.02%	2.8	0.2	1.6
53	Somalia	496	2.5	2.5	5.0	0.01%	2.5	0.0	0.0
54	Turkmenistan	496	2.5	2.5	5.0	0.01%	2.5	0.0	0.0
55	Guinea-Bissau	496	2.5	2.5	5.0	0.01%	2.2	0.3	0.0
56	Djibouti	496	2.5	2.5	5.0	0.01%	1.6	0.9	0.0
57	Guyana	250	2.5	0.0	2.5	0.005%	0.6	0.0	1.9

S/N	Country	Consolidated Position of Subscribed Capital							
		No. of Shares (Units)	Amount in Million ID				Breakdown of Called-up Capital (ID)		
			Called-up	Callable	Total	% of Total	Paid-up	Over due	Not Yet Due
	Net Shortfall	*	*	*	*	0.00%	(0.010)	0.000	0.009
	<b>Sub-Total</b>	<b>5,026,049</b>	<b>9,371.9</b>	<b>40,888.6</b>	<b>50,260.5</b>	<b>99.30%</b>	<b>5,940.6</b>	<b>255.6</b>	<b>3,175.7</b>
	Uncommitted	35,357	0.0	353.6	353.6	0.70%	*	*	*
	<b>Grand Total</b>	<b>5,061,406</b>	<b>9,371.9</b>	<b>41,242.2</b>	<b>50,614.1</b>	<b>100.00%</b>	<b>5,940.6</b>	<b>255.6</b>	<b>3,175.7</b>

## **Sukuk Issued**

As at the date of this Base Prospectus, the IsDB's outstanding sukuk obligations are comprised of the following:

- U.S.\$1,250 million trust certificates due 2022;
- U.S.\$1,250 million trust certificates due 2022;
- EUR 300 million trust certificates due 2023;
- U.S.\$1,250 million trust certificates due 2023;
- U.S.\$1,300 million trust certificates due 2023;
- EUR 650 million trust certificates due 2023;
- U.S.\$100 million trust certificates due 2023;
- CNY 1 billion trust certificate due 2023;
- £153 million trust certificates due 2023;
- EUR 300 million trust certificates due 2024;
- EUR 150 million trust certificates due 2024;
- EUR 50 million trust certificates due 2024;
- U.S.\$1,500 million trust certificates due 2024;
- U.S.\$100 million trust certificates due 2024;
- U.S.\$100 million trust certificates due 2024;
- EUR 1 billion trust certificates due 2024;
- U.S.\$250 million trust certificates due 2024;
- U.S.\$400 million trust certificates due 2024;
- U.S.\$75 million trust certificates due 2024;
- U.S.\$1.5 billion trust certificates due 2024;
- MYR 350 million trust certificates due 2024;
- U.S.\$1.5 billion trust certificates due 2025;
- U.S.\$2 billion trust certificates due 2025;
- U.S.\$550 million trust certificates due 2025;

- U.S.\$100 million trust certificates due 2025;
- U.S.\$2.5 billion trust certificates due 2026;
- U.S.\$1.8 billion trust certificates due 2026;
- EUR 450 million trust certificates due 2026;
- EUR 300 million trust certificates due 2027; and
- £90 million trust certificates due 2029.

Due to the overriding discipline imposed by Shari'a, the IsDB has built in mandatory business policies, accounting standards and policy defences to keep its balance sheet exposure within prudent limits while raising funds from the market. For example, Article 21 of the Articles of Agreement requires that the total amount of equity investments, amounts of loans outstanding and other ordinary operations of the IsDB-OCR do not exceed, at any time, the total amount of unimpaired subscribed share capital (being overdue called up capital, as set out above), reserves, deposits, other funds raised and surplus included in the IsDB-OCR. As at 31 December 2020, the debt / equity ratio was 164.2 per cent. and the equity / assets ratio was 37.3 per cent., each calculated as set out in "*Presentation of Financial and Other Information—Presentation of Financial Information—Presentation of Alternative Performance Measures*". The Board of Executive Directors approved an increase in the ceiling of debt to equity ratio from 125 per cent. to 175 per cent. in December 2017.

As a multilateral institution, the IsDB is not obliged to comply with the requirements of the Basel Committee on Banking Supervision (the **Basel Committee**) nor of any other regulatory body. However, the IsDB develops and implements its own prudential financial and risk management policies, as approved by the Board of Executive Directors, which take into account international best practices. For example, the IsDB's current capital adequacy framework in accordance with the Basel Committee and Islamic Financial Services Board capital adequacy standards. The IsDB's asset and liability management framework is in accordance with the IsDB's standards, industry best practices and applicable regulatory standards.

## **FINANCIAL OVERVIEW OF THE ISDB-OCR**

The following tables set out in summary form the financial position and income information relating to the IsDB-OCR. Such information (with the exception of the U.S. Dollar amounts) is derived from the 2020 Financial Statements.

The 2020 Financial Statements are prepared in accordance with the Financial Regulations of the IsDB (which provide, *inter alia*, that the unit of account should be the Islamic Dinar) and with the Financial Accounting Standards issued by the AAOIFI and the Shari'a rules and principles, as determined by the IsDB Group Shariah Board. For matters for which no AAOIFI standards exist, the IsDB-OCR seeks guidance from the relevant IFRS standard as to the extent that such standards do not contradict Shari'a rules and principles. For an explanation of the differences between AAOIFI and IFRS see "*Summary of Significant Differences between the Financial Accounting Standards Issued by AAOIFI and IFRS*". The 2020 Financial Statements and the 2019 Financial Statements, together with the reports of Ernst & Young & Co. (Certified Public Accountants), KSA in respect of the year ended 31 December 2020 and the year ended 31 December 2019 and the accompanying notes, are incorporated by reference to this Base Prospectus. The financial information presented below should be read in conjunction with such financial statements, reports and the notes thereto.

The 2020 Financial Statements were approved by the Board of Governors on 4 September 2021.



## IsDB-OCR Statement of Financial Position data as at 31 December 2020 and 2019

The following table (with the exception of the U.S.\$ columns) is extracted from the 2020 Financial Statements, and shows the statement of financial position of the IsDB-OCR as at 31 December 2020 and 31 December 2019.

	As at 31 December 2020		As at 31 December 2019	
	(ID thousands)	(U.S.\$ thousands)	(ID thousands)	(U.S.\$ thousands)
Cash and cash equivalents.....	363,923	524,147	854,174	1,181,177
Commodity murabaha placements .....	5,320,823	7,663,422	4,424,022	6,117,670
Sukuk investments .....	1,466,183	2,111,699	1,724,211	2,384,291
Murabaha financing.....	325,892	469,372	343,698	475,276
<b>Treasury assets .....</b>	<b>7,476,821</b>	<b>10,768,641</b>	<b>7,346,105</b>	<b>10,158,414</b>
Istisna'a assets.....	7,955,365	11,457,874	7,378,187	10,202,778
Restricted mudaraba .....	732,834	1,055,479	849,606	1,174,861
Instalment sale.....	2,225,787	3,205,734	1,906,569	2,636,461
Ijarah assets .....	2,826,878	4,071,468	2,845,652	3,935,053
Loans (Qard) .....	1,779,003	2,562,245	1,781,830	2,463,968
<b>Project assets.....</b>	<b>15,519,867</b>	<b>22,352,799</b>	<b>14,761,844</b>	<b>20,413,121</b>
Equity investments .....	454,723	654,924	541,130	748,291
Investment in associates .....	728,904	1,049,819	756,875	1,046,629
Other investments.....	55,394	79,782	55,161	76,278
<b>Investment assets .....</b>	<b>1,239,021</b>	<b>1,784,525</b>	<b>1,353,166</b>	<b>1,871,199</b>
Property, equipment and intangibles .....	53,754	77,420	53,464	73,932
Other assets .....	132,474	190,798	59,310	82,016
<b>Total Assets .....</b>	<b>24,421,937</b>	<b>35,174,183</b>	<b>23,573,889</b>	<b>32,598,681</b>
<b>Liabilities</b>				
Sukuk issued.....	14,307,777	20,607,062	12,181,904	16,845,502
Commodity murabaha liabilities .....	308,962	444,989	1,613,652	2,231,406

Wakala due .....	347,221	500,092	361,763	500,257
Other liabilities .....	343,416	494,612	351,315	485,809
<b>Total Liabilities.....</b>	<b>15,307,376</b>	<b>22,046,754</b>	<b>14,508,634</b>	<b>20,062,974</b>
<b>Members' Equity</b>				
Paid-up capital.....	5,940,601	8,556,069	5,785,122	7,999,840
Reserves .....	3,057,744	4,403,977	3,139,738	4,341,724
Net income for the year .....	116,216	167,382	140,395	194,142
<b>Total Members' Equity.....</b>	<b>9,114,561</b>	<b>13,127,429</b>	<b>9,065,255</b>	<b>12,535,707</b>
<b>Total Liabilities and Members'</b>				
<b>Equity .....</b>	<b>24,421,937</b>	<b>35,174,183</b>	<b>23,573,889</b>	<b>32,598,681</b>
<b>Restricted Investment Accounts.....</b>	<b>78,190</b>	<b>112,615</b>	<b>80,921</b>	<b>111,900</b>

#### IsDB-OCR Income Statement data for the years ended 31 December 2020 and 2019

The following table (with the exception of the U.S.\$ columns) is extracted from the 2020 Financial Statements, and shows the statement of income of the IsDB-OCR for the year ended 31 December 2020 and for the year ended 31 December 2019.

	For the year ended 31 December 2020		For the year ended 31 December 2019	
	(ID thousands)	(U.S.\$ thousands)	(ID thousands)	(U.S.\$ thousands)
<b>Income / (loss) from:</b>				
Commodity murabaha placements .....	71,666	103,218	108,017	149,369
Sukuk investments.....	57,587	82,941	60,095	83,101
Murabaha financing.....	10,752	15,486	13,037	18,028
<b>Treasury assets .....</b>	<b>140,005</b>	<b>201,645</b>	<b>181,149</b>	<b>250,498</b>
Istisna'a assets.....	260,822	375,654	244,784	338,495
Restricted mudaraba .....	25,160	36,237	32,444	44,865
Instalment sale.....	71,097	102,399	63,687	88,068
Ijarah assets, net of depreciation.....	68,346	98,437	83,762	120,640
Loans (Qard) .....	9,658	13,910	11,836	16,367

<b>Project assets</b> .....	<b>435,083</b>	<b>626,637</b>	<b>436,513</b>	<b>603,623</b>
Equity investments .....	8,148	11,735	18,078	24,999
Loss from investment in associates .....	(10,560)	(15,209)	(29,418)	(40,680)
Income from other investments.....	1,173	1,689	864	1,195
<b>Investment assets</b> .....	<b>(1,239)</b>	<b>(1,784)</b>	<b>(10,476)</b>	<b>(14,487)</b>
Other income .....	6,661	9,594	6,684	9,243
Foreign exchange losses.....	(1,253)	(1,805)	(2,452)	(3,391)
Gains from swaps valuation .....	13,522	19,475	10,365	14,333
<b>Other income</b> .....	<b>18,930</b>	<b>27,264</b>	<b>14,597</b>	<b>20,185</b>
<b>Total income</b> .....	<b>592,779</b>	<b>853,762</b>	<b>621,783</b>	<b>859,820</b>
Financing costs.....	(277,702)	(399,966)	(296,195)	(409,587)
Impairment charge.....	(29,769)	(42,875)	(28,739)	(39,741)
<b>Net income before operating expenses</b> .....	<b>285,308</b>	<b>410,921</b>	<b>296,849</b>	<b>410,492</b>
Administrative expenses.....	(163,145)	(234,973)	(148,271)	(205,034)
Depreciation / amortization on property, equipment and intangibles.....	(5,947)	(8,565)	(8,183)	(11,316)
<b>Total operating expenses</b> .....	<b>(169,092)</b>	<b>(243,538)</b>	<b>(156,454)</b>	<b>(216,349)</b>
<b>Net income for the year</b> .....	<b>116,216</b>	<b>167,382</b>	<b>140,395</b>	<b>194,142</b>

## Selected Ratios

The following table sets out selected ratios in respect of the IsDB-OCR's financial performance as at and for the years ended 31 December 2020 and 31 December 2019. The basis for calculation of ratios that are non-AAOIFI financial measures are set out in the notes below.

	31 December	
	2020	2019
	(%)	
Debt / equity <sup>1</sup> .....	164.2	156.2
Assets / total liabilities <sup>2</sup> .....	159.5	162.5
Liquid assets / total liabilities <sup>3</sup> .....	48.8	50.6
Liquid assets / short term liabilities <sup>4</sup> .....	1,146.1	373.9
Equity / total liabilities <sup>5</sup> .....	59.5	62.5
Top five exposures / total gross loans <sup>6</sup> .....	34.1	36.0
Equity / assets <sup>7</sup> .....	37.3	38.5

Notes:

- (1) Total debt of the IsDB-OCR divided by total members' equity of the IsDB-OCR. Total debt for these purposes comprises sukuk issued, Wakala due and commodity murabaha liabilities
- (2) Total assets of the IsDB-OCR divided by its total liabilities.
- (3) Liquid assets of the IsDB-OCR divided by its total liabilities. For these purposes, liquid assets comprise treasury assets which include cash and cash equivalents, commodity murabaha placements, sukuk investments and Murabaha financing.
- (4) Liquid assets of the IsDB-OCR divided by its short-term liabilities. For these purposes, short-term liabilities include commodity murabaha liabilities and other liabilities.
- (5) Total members' equity of the IsDB-OCR divided by the total liabilities of the IsDB-OCR.
- (6) Total top five countries outstanding exposure of the IsDB-OCR on its sovereign and non-sovereign project assets and Murabaha financing divided by total gross loans. Total gross loans for these purposes includes project assets (gross) plus Murabaha financing (gross).
- (7) Total members' equity of the IsDB-OCR divided by the total assets of the IsDB-OCR.

## Financial Condition and Performance as at and for the Year Ended 31 December 2020

As at 31 December 2020, the IsDB-OCR's total assets stood at ID 24.4 billion (U.S.\$35.1 billion) compared to ID 23.6 billion (U.S.\$32.6 billion) as at 31 December 2019, representing an increase of 3.4 per cent. The increase in total assets principally reflected growth in project and treasury assets during the year ended 31 December 2020.

As at 31 December 2020, the IsDB-OCR's total liabilities stood at ID 15.3 billion (U.S.\$22.0 billion) compared to ID 14.5 billion (U.S.\$20.1 billion) as at 31 December 2019, representing an increase of 5.5 per cent. The increase in total liabilities principally reflected an increase in sukuk issued during the year ended 31 December 2020.

As at 31 December 2020, the IsDB-OCR's total members' equity stood at ID 9.1 billion (U.S.\$13.1 billion) compared to ID 9.1 billion (U.S.\$12.6 billion) as at 31 December 2019.

The IsDB-OCR's total income for the year ended 31 December 2020 was ID 592.8 million (U.S.\$853.8 million), compared to ID 621.8 million (U.S.\$859.8 million) for the year ended 31 December 2019, representing a decrease of 4.7 per cent.

The IsDB-OCR's total operating expenses for the year ended 31 December 2020 were ID 169.1 million (U.S.\$243.5 million), compared to ID 156.5 million (U.S.\$216.4 million) for the year ended 31 December 2019, representing an increase of 8.1 per cent. This increase was principally the result of a 10.0 per cent. increase in administrative expenses during the year ended 31 December 2020.

The IsDB-OCR's net income for the year ended 31 December 2020 was ID 116.2 million (U.S.\$167.4 million), compared to ID 140.4 million (U.S.\$194.1 million) for the year ended 31 December 2019, representing a decrease of 17.2 per cent.

The decreases in the IsDB-OCR's total income and net income for the year were predominantly due to a decrease of 22.7 per cent. in income from treasury assets from ID 181.1 million (U.S.\$250.4 million) for the year ended 31 December 2019 to ID 140.0 million (U.S.\$201.6 million) for the year ended 31 December 2020. This decrease in income from treasury assets was principally a result of: reduced money market rates across all major currencies in 2020 compared to 2019; and a proactive reduction in the average tenor of money market placements (from an average of 4.12 months in 2019 to 2.38 months during 2020) in order to minimise the IsDB-OCR's credit exposure and to meet its COVID-19 emergency response disbursements.

### Provisions for Impairment on Financial Assets

The following table sets out the provisions made by the IsDB-OCR on its financial assets for the years ended 31 December 2020 and 2019.

	<b>31 December 2020</b>		<b>31 December 2019</b>	
	<i>(ID thousand)</i>	<i>(U.S.\$ thousand)</i>	<i>(ID thousand)</i>	<i>(U.S.\$ thousand)</i>
Balance at the beginning of the year ..	371,733	535,396	388,318	536,978
Additional provision on adoption of new FAS 30 impairment rule .....	64,263	92,556	-	-
Write offs/ reversals .....	(1,607)	(2,315)	(45,324)	(62,675)
Charge for the year .....	29,769	42,875	28,739	39,741
<b>Balance at the end of the year .....</b>	<b>464,158</b>	<b>668,513</b>	<b>371,733</b>	<b>514,044</b>

The impairment charge increased marginally from ID 28.7 million for the year ended 31 December 2019 to ID 29.8 million for the year ended 31 December 2020. The increase in the impairment charge for the year ended 31 December 2020 was primarily attributable to changes in a number of Member Countries' risk ratings. The ID 29.8 million impairment charge for the year ended 31 December 2020 comprises FAS30 provisions made on account of growth in project assets and remaining overdue payments from Member Countries subject to special circumstances (for example, Syria, Palestine and Yemen). In this context, "special circumstances" means that the relevant Member Country is experiencing political or social unrest, which is hampering or contributing to such Member Country's inability to meet its obligations to the IsDB.

The IsDB-OCR's top five exposures represent 34.1 per cent. of its total outstanding exposures as at 31 December 2020.

## **OPERATIONS OF THE ISDB GROUP**

### **Overview of the Operations of the IsDB Group**

The operations of the IsDB since inception in 1395H (1975) to 31 December 2020 can be divided into three broad categories, namely:

1. project and operations financing from IsDB-OCR operations, comprising approximately 35.3 per cent. of the IsDB Group's operations;
2. project and operations financing from funds and other entities, comprising approximately 3.5 per cent. of the IsDB Group's operations;
3. trade financing operations, comprising approximately 58.7 per cent. of the IsDB Group's operations;
4. technical assistance operations, comprising approximately 1.4 per cent. of the IsDB Group's operations; and
5. special assistance operations under the Waqf Fund, comprising approximately 1.1 per cent. of the IsDB Group's operations,

each as at 31 December 2020.

Financing may be provided by the IsDB itself through its IsDB-OCR or it may be provided through any of its special funds and trust funds named above. The IsDB carries out financing activities from its IsDB-OCR through loans, leasing (*Ijarah*), investments in equity capital of companies, instalment sales, technical assistance, profit sharing *Istisna'a* (for further detail on the types of financing offered by the IsDB, see "*Description of the IsDB—Types of Financing*"), and lines of financing for national development financing institutions (**NDFIs**). The IsDB also provided trade finance to its Member Countries until the end of 1428H (2007). However, since 1 Muharram 1429H (10 January 2008) this activity has been undertaken by the ITFC.

The special funds and trust funds are managed by the IsDB in accordance with the respective regulations establishing them. The IsDB maintains separate accounts for each of them as well as for its IsDB-OCR. Similarly, the Articles of Agreement prohibit the IsDB-OCR from financing the activities or charging losses or liabilities arising out of its special funds and trust funds to the IsDB-OCR. Although financing through the special funds and trust funds may be used to assist both Member Countries and, to a lesser extent, Muslim communities in non-Member Countries, IsDB-OCR financing is available to Member Countries only.

The financing policies of the IsDB-OCR are governed by the Articles of Agreement (Article 16) which, *inter alia*, stipulate that, to safeguard its interests, the IsDB should ensure that the recipient of financing and its guarantor will be in a position to meet their obligations and that the financing promotes complementary aspects in the economies of Member Countries, promotes the well-being of people in the Member Countries and avoids a disproportionate use of the IsDB-OCR's resources for the benefit of any one or more Member Countries. In the implementation of these policies, the IsDB applies a number of financing modes and takes into account the viability and feasibility of projects.

### **Major Initiatives and Activities in 2020**

During the year ended 31 December 2020, the IsDB completed nine sukuk issuances under the Programme:

- a listed issuance of EUR 300 million in January 2020 with a tenor of seven years;
- an unlisted issuance of U.S.\$550 million in January 2020 with a tenor of five years;
- an unlisted issuance of CNY1 billion in February 2020 with a tenor of three years;
- a listed issuance of U.S.\$2 billion in February 2020 with a tenor of five years;
- a listed issuance of GBP 90 million in May 2020 with a tenor of nine years;
- a listed issuance of U.S.\$1.5 billion in June 2020 with a tenor of five years;
- an unlisted issuance of GBP 153 million in June 2020 with a tenor of three years;
- an unlisted issuance of U.S.\$100 million in July 2020 with a tenor of five years; and
- an unlisted issuance of EUR 450 million in September 2020 with a tenor of six years.

The IsDB Group approved 268 financing operations for a total of ID 4.8 billion (U.S.\$6.9 billion) during the year ended 31 December 2020, which was a decline from the ID 5.7 billion (U.S.\$7.9 billion) approved by the IsDB Group during the year ended 31 December 2019.

The IsDB Group has continued to participate in the development of the financial services industry through various activities, which included investments in the equity capital of Islamic financial institutions, the financing of Awqaf (endowments) real estate and other projects. The IsDB Group has also provided technical assistance to member countries in the fields of Islamic banking, Takaful, Islamic microfinance, corporate governance, Awqaf, Zakat as well as legal, regulatory and supervisory issues related to Islamic banking.

## **1. IsDB-OCR Operations**

### *Composition of the IsDB-OCR Financing Portfolio*

#### IsDB-OCR Financing Portfolio by Status of Member Countries

The IsDB is committed to providing assistance to its 25 least developed Member Countries (**LDMCs**). The criteria used by the IsDB to identify LDMCs are analogous to that used by the United Nations in identifying least developed countries. In identifying least developed countries, the United Nations examines, amongst other things, a country's gross national income per capita, the percentage of population undernourished, the mortality rate for children aged five years and under, the gross secondary school enrolment ratio, the adult literacy rate and economic vulnerability (which in turn involves the examination of, amongst other things, geographical remoteness to major world markets, population size, merchandise export concentration share of agriculture, forestry and fisheries in gross domestic product, homelessness owing to natural disasters instability of agricultural production and instability of exports of goods and services).

Region	1396H (1976) to 31 December 2020		
	(ID million)	(U.S.\$ million)	(%)
LDMC (25 Member Countries) <sup>(1)</sup> .....	10,205.1	14,698.1	27.7
Non-LDMC (32 Member Countries) <sup>(1)</sup> .....	25,971.1	37,405.4	70.4
Others <sup>(2)</sup> .....	698.3	1,005.7	1.9
<b>Total</b> .....	<b>36,874.5</b>	<b>53,109.2</b>	<b>100.0</b>

**Notes:**

(1) Number as at 31 December 2020.

(2) Comprised of non-Member Countries and regional projects.

As at 31 December 2020, 90.6 per cent. of all the IsDB-OCR's financing operations (being Murabaha financing, Istisna'a, restricted Mudaraba, Instalment sale, Ijarah and loans but excluding equity investments) were sovereign exposures, while the remainder are guaranteed by a relevant sovereign or banks acceptable to the IsDB.

*Approvals of the IsDB-OCR*

Total IsDB-OCR approvals for the year ended 31 December 2020 amounted to ID 1.1 billion (U.S.\$1.6 billion) for 32 operations.

IsDB-OCR Net Approvals by Mode of Financing

The table below sets out the IsDB-OCR net approvals for the period 2015 to 31 December 2020.

Mode of Finance	2015 - 31 December 2020	
	(ID Million)	(U.S.\$ Million)
Equity.....	278.9	401.7
Instalment Sale.....	4,116.4	5,928.7
Istisna'a.....	4,109.9	5,919.4
Leasing.....	1,631.9	2,350.4
Loan.....	652.5	939.8
Mudaraba.....	411.4	592.5
Technical Assistance.....	0.0	0.0
<b>Total</b> .....	<b>11,201.0</b>	<b>16,132.5</b>

IsDB-OCR Total Approvals by Region

With respect to the share of total approvals by the IsDB-OCR received by various regions for the year ended 31 December 2020:

- African and Latin American countries received the majority share amounting to ID 399.9 million (U.S.\$576.0 million) (35.0 per cent.);
- MENA and European countries received ID 245.5 million (U.S.\$353.6 million) (21.5 per cent.); and
- Asian countries received ID 479.2 million (U.S.\$690.2 million) (42.0 per cent.) .

By comparison, with respect to the year ended 31 December 2019:



- African and Latin American countries received the majority share amounting to ID 590.4 million (U.S.\$816.4 million) (49.9 per cent.) ;
- MENA and European countries received ID 356.9 million (U.S.\$493.5 million) (30.3 per cent.) ; and
- Asian countries received ID 231.5 million (U.S.\$320.1 million) (19.5 per cent.).

#### IsDB-OCR Total Approvals by Sector

With respect to the share of total approvals by the IsDB-OCR received by various sectors for the year ended 31 December 2020:

- health and other social services accounted for the largest share of the total approvals by the IsDB-OCR, amounting to 29.1 per cent. or ID 332.0 million (U.S.\$478.2 million) of the total approvals of ID 1.1 billion (U.S.\$1.6 billion);
- transportation accounted for 27.1 per cent. of total approvals and amounted to ID 309.5 million (U.S.\$445.8 million);
- energy accounted for 17.4 per cent. of the total approvals and amounted to ID 198.9 million (U.S.\$286.5 million);
- agriculture accounted for 12.9 per cent. of the total approvals and amounted to ID 147.4 million (U.S.\$212.3 million);
- finance accounted for 8.7 per cent. of the total approvals and amounted to ID 99.7 million (U.S.\$143.6 million);
- water, sanitation and urban services accounted for 2.5 per cent. of the total approvals and amounted to ID 29.0 million (U.S.\$41.8 million); and
- education accounted for 2.2 per cent. of the total approvals and amounted to ID 25.4 million (U.S.\$36.6 million).

#### 2022 Operations Plan

Under the '2022 Operations Plan' (which provides the yearly financing plan for new project approvals), IsDB has planned to approve U.S.\$3 billion worth of new financing from IsDB-OCR. The majority of this financing, U.S.\$2.75 billion, is expected to be in the form of Ordinary Financing, while the balance of U.S.\$250 million is expected to be in the form of concessional loans.

#### *IsDB-OCR Disbursements and Repayments*

The total disbursements made by IsDB-OCR during the year ended 31 December 2020 were ID 1.8 billion (U.S.\$2.6 billion) compared to ID 2.0 billion (U.S.\$2.8 billion) during the year ended 31 December 2019. During the year ended 31 December 2020, the repayments totalled ID 1.3 billion (U.S.\$1.9 billion) compared to ID 1.3 billion (U.S.\$1.8 billion) during the year ended 31 December 2019. Between 1976 and 31 December 2020, IsDB-OCR disbursements totalled ID 23.9 billion (U.S.\$34.4 billion) while repayments totalled ID 13.1 billion (U.S.\$18.9 billion), resulting in net resource transfer of ID 10.8 billion (U.S.\$15.6 billion)

## *Covid-19*

The coronavirus known as Covid-19 was first identified in Wuhan, Hubei Province, China in late 2020. In response to the highly contagious and sometimes fatal Covid-19 infecting thousands of people in China, the Chinese government imposed travel restrictions and quarantines to help control its spread. While the spread of Covid-19 slowed in China, it spread to many countries around the world. In March 2020, the United States, certain EU countries and countries in the Middle East began imposing travel restrictions, as well as other restrictions on the activities of their residents and citizens, which aim to reduce in-person interactions. These measures, which were designed to slow the spread of Covid-19, significantly reduced economic activity in Member Countries. Although such restrictions are beginning to be eased globally (including in many member countries of the IsDB), it is currently unclear how long these restrictions will be in place and what their ultimate impact will be on global and local economies, as well as global and local banking industries.

In response to the Covid-19 impact on their domestic economies, various central banks had cut interest rates. Specifically, on 3 March 2020, the U.S. Federal Reserve cut its target range for the federal funds rate from 1.50 to 1.75 per cent. to 1.00 to 1.25 per cent. and, on 16 March 2020, it was cut further to 0 to 0.25 per cent. On 11 March 2020, the Bank of England cut its base rate from 0.75 per cent. to 0.25 per cent. and, on 19 March 2020, further cut its base rate to 0.10 per cent. While the European Central Bank did not cut its base rate, in March 2020, it announced a stimulus package to support the Euro area financial system. In addition, the KSA implemented a number of significant fiscal stimulus measures to support the domestic economy, including for the banking industry, SMEs and other private sector businesses. However, central banks have now begun to increase interest rates as the world continues to recover from the Covid-19 pandemic.

With respect to Covid-19, the IsDB is following the recommendations of local health authorities. However, the scale and scope of this pandemic is unknown and the duration of the business disruption and related financial impact cannot be reasonably estimated at this time. While the IsDB has implemented specific business continuity plans to reduce the potential impact of Covid-19, there is no guarantee that the IsDB's continuity plans will be successful.

As at the date of this Base Prospectus, the IsDB has not seen a material adverse impact on its business or financial condition as a result of the Covid-19 crisis. Nevertheless, the extent to which Covid-19 or any other health epidemic may impact the IsDB's business, financial condition, results of operations, prospects and/or reputation will depend on future developments, which are highly uncertain and cannot be predicted, including the emergence of new variants of Covid-19. Slow national economic development and further sporadic volatility in the global markets could adversely affect the economies of many Member Countries and consequently impact the business or financial condition of the IsDB. The rapid development and fluidity of this situation precludes any prediction as to the ultimate impact of Covid-19.

The IsDB has been involved in a broad range of initiatives relating to Covid-19, which include the Board of Executive Directors' decision in April 2020 to allocate U.S.\$2.3 billion towards the IsDB Group's Strategic Preparedness and Response Programme for the Covid-19 pandemic (the Covid-19 Strategic Preparedness and Response Programme). As at 5 January 2022, the allocation had more than doubled to U.S.\$4.7 billion. The IsDB-OCR's participation in the Covid-19 Strategic Preparedness and Response Programme started with U.S.\$1.5 billion in April 2020 and has since grown to U.S.\$2.1 billion (as of 5 January 2022). Through the provision of financial assistance and technical expertise, the Covid-19 Strategic Preparedness and Response Programme aims to support Member Countries' efforts to prevent, contain, mitigate and recover from the impact of the Covid-19 pandemic. The IsDB has also launched the Covid-19 guarantee facility, an innovative U.S.\$2 billion vehicle designed to help the private sector combat the pandemic and facilitate cross-border foreign and local investments to support vital industries.

On 25 June 2020, the IsDB issued U.S.\$1.5 billion trust certificates due 2025 to finance or refinance eligible Social Projects in accordance with the IsDB's Sustainable Finance Framework. This transaction represented the first Covid-19 response sukuk in the world.

The IsDB may use proceeds from the issuance of Trust Certificates under the Programme to finance or refinance eligible projects in accordance with its Sustainable Finance Framework, which may include projects falling under the Covid-19 Strategic Preparedness and Response Programme.

## 2. Activities of the IsDB Group's Entities and Other Funds

### *IsDB Group Entities*

#### *International Islamic Trade Finance Corporation*

The ITFC was established as an autonomous entity within the IsDB Group in Jumad Awwal 1426H (June 2005). As at 31 December 2020, the IsDB held 35.7 per cent. of the paid-up capital of ITFC.

The primary objective of ITFC is to facilitate intra-trade among OIC member countries using Shari'a compliant instruments. ITFC is mandated to mobilise funds from the market to complement its financing requirements and to manage dedicated funds with contributions from Member Countries.

As at 31 December 2020, ITFC had authorised capital of U.S.\$3 billion and issued capital of U.S.\$857.2 million. ITFC commenced its operations on 1 Muharram 1429H (10 January 2008).

#### *Islamic Corporation for the Development of the Private Sector*

The ICD was established in 1420H (1999) as an independent entity within the IsDB Group and has been operational since 6 Rabi Thani 1421H (8 July 2000). As at 31 December 2020, the IsDB held 43.2 per cent. of the paid-up capital of ICD. The remainder of the ICD capital is held by Member Countries and public financial institutions in Member Countries.

ICD's vision is to be the premier Islamic multilateral financial institution for the development of the private sector. It envisions national development and aims to economically empower the citizens of its member countries. ICD's focus is to develop the private sector in its member countries by spurring socioeconomic development and helping member countries transition to the next stage of development.

As at 31 December 2020, the authorised capital of ICD was U.S.\$4.0 billion and the total paid up capital of ICD stood at U.S.\$1.57 billion.

#### *The Islamic Development Bank Institute (IsDBi) - formerly known as The Islamic Research and Training Institute*

The IsDBi (formerly IRTI) was established in 1401H (1981) to help the IsDB in discharging its functions in the fields of research and training. According to its statute, the objectives of IsDBi are to undertake research and provide training and information services to Member Countries and Muslim communities in non-Member Countries to help bring their economic, financial and banking activities into conformity with Shari'a and to further accelerate economic development and enhance cooperation amongst them. The IsDBi is funded from the Waqf Fund which is managed by the IsDB as Mudarib.

IRTI was replaced by the Islamic Development Bank Institute (**IsDBi**) after adoption of its statute by the Board of Executive Directors on 12/09/1442H (24 September 2021). The purpose of IsDBi is to "serve as the knowledge beacon of the group, with the mandate to lead the development of innovative knowledge-based solutions to support the sustainable economic advancement of Member Countries and Muslim communities worldwide, guided by the principles of Islamic economics and finance."

#### *Islamic Corporation for the Insurance of Investment and Export Credit*

The ICIEC was established in 1415H (1994G) with the objective of encouraging exports from Member Countries and facilitating the flow of foreign direct investment to Member Countries by providing Shari'a-compliant export credit and investment insurance as credit and political risk mitigation instruments.

As at 31 December 2020, the authorised capital of ICIEC is ID 400.0 million (U.S.\$576.1 million). As at 31 December 2020, the subscribed capital of ICIEC stood at ID 295.8 million (U.S.\$426.1 million). The IsDB has subscribed to 150,004 shares of ICIEC having an initial subscription value of ID 150.4 million (U.S.\$216.6 million), while 47 Member Countries have, in the aggregate, subscribed to 145,954 shares, having an initial subscription value of ID 145.9 million (U.S.\$210.2 million) as at 31 December 2020.

During the year ended 31 December 2020, ICIEC's insurance business decreased by 10.1 per cent. to reach ID 6.8 billion (U.S.\$9.8 billion) from ID7.8 billion (U.S.\$10.9 billion) in 2019, while its new commitments amounted to a total of ID 2.7 billion (U.S.\$3.9 billion) during the year ended 31 December 2020, representing a decrease of 18.8 per cent from ID 3.4 billion (U.S.\$ 4.8 billion) in 2019.

### ***Other Funds***

#### *Islamic Solidarity Fund for Development*

The ISFD is an outcome of the Third Extraordinary Summit of the OIC, held in Makkah Al-Mukarramah, KSA, in Dhul Qadah 1426H (December 2005). The establishment of this fund was formalised at the 31st annual meeting of the Board of Governors held in Kuwait in Rabi al-Thani 1427H (May 2006) and was launched as a Waqf during the 32nd annual meeting of the Board of Governors held in Dakar, Senegal, in Rabi al-Thani 1427H (May 2007). The ISFD's targeted level of endowment is U.S.\$10 billion. The ISFD has been established within the IsDB on the basis of voluntary contributions by all Member Countries, irrespective of their development status. The purpose of the fund is to help to alleviate poverty, enhance development, eliminate illiteracy and eradicate disease and epidemics in the OIC member states. ISFD formally began its operations on 1 Muharram 1429H (10 January 2008).

#### *IDB Infrastructure Fund 2*

IIF2 was established in 1435H (2014) as the successor of the IDB Infrastructure Fund 1. The Manager of IIF2 is ASMA Capital Partners, an asset management firm licensed and regulated by the Central Bank of Bahrain. The Objective of IIF2 is to provide capital appreciation through equity and quasi-equity investments in infrastructure related projects in the GCC, ASEAN, MENA, and CIS Regions, with a focus on IsDB Member Countries.

IIF2's investment strategy targets primarily the power, energy, transportation, telecommunications, natural resources, waste & water, healthcare and education sectors.

As at 31 December 2020, the IsDB's commitment represented 26.67 per cent. of the IIF2's total commitments and holds a 20 per cent. stake in ASMA Capital Partners.

The term of IIF2 will end in 2024 with the possibility of the extension for an additional 2 years.

IIF2 is currently under the investment period and the investors commitments are in progressive deployment.

#### *The Waqf Fund*

The Waqf Fund was established on 1 Muharram 1418H (8 May 1997). The Waqf Fund primarily caters to the development needs of the Muslim communities and organisations in non-Member Countries and LDMCs with particular emphasis on social sector development. The Waqf Fund derives its income from returns on cash, cash equivalents and fixed deposits, funds under management with external fund managers and other managed investments, investments in Murabaha and other funds.

As per the regulations of the Waqf Fund, a certain percentage of the total income of the Waqf Fund and the same percentage of the banking return from the IsDB's investments in the international market are allocated to the resources of the Waqf Fund every year until the principal amount reaches ID1 billion. The income of the Waqf Fund must be utilised as follows:

Principal amount of the Waqf Fund: 15 per cent.

Special Assistance Programmes: 65 per cent.

Special Account for LDMC's: 20 per cent.

The principal amount of the Waqf Fund (and 15 per cent. of the annual income of the Waqf Fund) can be invested for a longer term to maximise returns. Only 85 per cent. of the income are utilised to finance various programmes under the Waqf Fund and can be kept in cash and in very short-term placements. The IsDB has been granted permission by the Fiqh Academy to use the net proceeds earned on these investments to finance projects in the Muslim communities in non-Member Countries. The Waqf Fund is also used to provide assistance with health and education, training and research, natural disaster relief within Member Countries and Muslim communities in non-Member Countries.

In the year ended 31 December 2020, the total net assets of the Waqf Fund amounted to U.S.\$819.3 million compared with U.S.\$865.1 million for the year ended 31 December 2019.

#### *The World Waqf Foundation*

The WWF was established by the IsDB in 1422H (2001) in collaboration with Waqf organisations, governmental organisations, non-governmental organisations and philanthropists from the private sector. The objectives of the WWF are to promote Awqaf to contribute to the cultural, social and economic development of Member Countries and Muslim communities, and to alleviate poverty, as well as extending technical assistance to Waqf organisations with expertise and coordination, and support their projects, programmes and activities in the educational, health, social, and cultural fields.

#### *The Awqaf Properties Investment Fund*

The APIF was established on 10th Dhul Qadah 1421H (4 February 2001) and began operations on 1st Rajab 1422H (19 September 2001). APIF aims to develop idle Waqf lands and renovate existing Waqf buildings, thereby transforming them into income generating assets. Recently, APIF has also started financing the purchase of existing buildings in order to convert them into new Waqf properties. The income generated from APIF projects is used by the Waqf and by charitable organizations to finance and support their activities in the social and charitable fields in favour of the poor, as well as in the religious and cultural fields.

As at 31 December 2020, the capital of the APIF was U.S.\$98.57 million funded by 17 participants, which are mainly Awqaf organisations and Islamic banks including the IsDB. In addition, the IsDB has provided a line of financing of U.S.\$100 million to APIF to support its activities. Since its inception to 31 December 2020, APIF has approved 57 projects (total value of U.S.\$1.22 billion) spread in 29 Member Countries and non-Member Countries. These approvals comprised 42 projects having total value of U.S.\$838 million for 19 Member Countries and 15 projects having total value of U.S.\$378 million for 10 non-Member Countries. In terms of modes of financing, 30 projects were approved by way of leasing, 18 projects under Istisna'a, two projects through Murabaha, one through build-operate-transfer (BOT), one through forward leasing, one through instalment sale, one through equity, one through line of financing and two through other mode of financing.

### *Science, Technology and Innovation Fund*

The IsDB-STIF was established in July 2017 with an initial capital of \$500 million. It aims to support Member Countries in finding practical solutions to their key development challenges through the power of innovation and to facilitate the commercialisation of technology, promote joint activities among member countries, research institutions and ensure the development of entrepreneurship.

It is anticipated that 70 per cent. of the IsDB-STIF will be maintained as a Waqf (the **IsDB-STIF Waqf**). The remaining 30 per cent. and any income from the IsDB STIF Waqf will be used to provide financing for operations, programmes, projects and any other activities aimed at achieving the objectives of the STIF.

The IsDB-STIF supports four categories: (i) new ideas with proof of concept; (ii) scaling up of innovative projects; (iii) commercialisation of technology; and (iv) capacity building in science, technology and innovation.

### *The International Centre for Biosaline Agriculture*

The IsDB, in partnership with the UAE, established in 1420H (1999) the ICBA, a non-profit agricultural research and development organisation with an international focus. Based in Dubai, ICBA's mission is to harness saline and marginal quality waters for irrigation purposes. Reclaiming these marginal waters could ultimately contribute to relieving demand for scarce freshwater resources in Member Countries. In 1431H (2010), following the handover of ICBA by the UAE, the IsDB and UAE launched a new partnership aimed at jointly supporting ICBA and its programmes over the five year period ended 1435H (2014). The programme was initially extended for five years to 1440H (2019), and has been extended further for another five years to 2024.

### *Sacrificial Meat Utilisation Project of Saudi Arabia*

The IsDB acts as an execution agency for the government of the KSA in implementing the Adahi Project. The project, which is managed by the IsDB, lies outside the normal range of operations. The government of the KSA signed a memorandum of understanding with the IsDB on 29 Dhul Qadah 1409H (3 July 1989) to implement the project, which serves Hajj pilgrims by performing sacrificial slaughter and related services on their behalf. The meat is distributed to the needy and the poor in Member Countries and to Muslim communities in non-Member Countries. The IsDB has been involved in the Adahi Project since 1403H (1983).

## **3. Trade Financing Operations**

The IsDB's trade financing programme used to be implemented primarily through:

- Import Trade Financing Operations (**ITFO**);
- Export Financing Scheme (**EFS**);
- the Islamic Banks' Portfolio (**IBP**); and
- to a certain extent, the UIF.

The IsDB also managed a special exports scheme in co-operation with the Arab Bank for Economic Development in Africa (**BADEA**) and has implemented a trade cooperation and promotion programme (**TCPP**) among Member Countries. While ITFO and the EFS were exclusively linked with trade financing, the IBP and the UIF were also involved in project financing activities.

Most trade operations were typically secured by way of government or commercial bank guarantees, however, when dealing with large financially viable companies with good credit standing in the respective Member Countries, direct corporate exposure was also accepted. The amount of financing against corporate exposure was limited to a maximum of 30 per cent. of total approvals under trade for any given year.

As of 1 Muharram 1429H (10 January 2008) all trade finance operations are being undertaken by the ITFC. During the year ended 31 December 2020, the ITFC approved U.S.\$4.72 billion in trade financing, compared to U.S.\$5.84 billion during the year ended 31 December 2019.

With a view to consolidate all the trade financing activities of the IsDB Group, the EFS was dissolved and the participants thereof were given shares in ITFC in proportion to their entitlement to the assets of EFS. The IBP was liquidated and participants of IBP who opted to quit were paid their entitlement to the assets of IBP. Participants who agreed to become shareholders in ITFC were given shares in proportion to their entitlement of the assets of IBP. Moreover, the BADEA Export Finance Scheme (**BEFS**) was transferred for management by ITFC as a Mudarib. To complement the resources of ITFC, the IsDB-OCR also committed to place up to U.S.\$1 billion with ITFC to be utilised under a Mudaraba agreement for its trade financing operations.

## **TYPES OF FINANCING**

The IsDB's three major modes of financing: leasing, instalment sales and Istisna'a generally have a maximum exposure limit of ID 150 million per project for the purpose of financing development and infrastructure projects.

A brief description of the IsDB's different modes of financing is given below.

### **Ordinary Financing**

The IsDB provides the following ordinary financing (**Ordinary Financing**) for up to 20 years.

#### *Leasing*

Leasing is used by the IsDB to provide medium to long-term financing for capital equipment and other fixed assets. The IsDB uses this type of financing primarily for middle and higher income Member Countries and may be offered to both public and private sector entities of such Member Countries.

Following a development period necessary for preparing the assets for operations, the assets are leased by the IsDB to the beneficiary for a certain period of time during which the latter pays rents (usually biannually). Rents are denominated in ID and ID basket currencies (currently limited to U.S. Dollars and euro) and must be guaranteed (usually by the relevant Member Country's government, governmental agencies or a commercial bank with an acceptable credit quality) as a condition of the IsDB providing financing. At the end of the rental period, ownership of the assets is transferred to the beneficiary. The leased assets are insured during the period of the lease.

#### *Istisna'a*

The IsDB uses the mode of Istisna'a as a form of medium and long-term financing with a view to promoting infrastructure projects and trade in capital goods within and among Member Countries. Istisna'a is a contract whereby the IsDB undertakes to have specific assets built according to certain specifications requested by the beneficiary and to sell those assets to the beneficiary at a determined price to be paid over an agreed period. The beneficiary is also typically required to provide a guarantee



of repayment (usually by the relevant Member Country's government, governmental agencies or a commercial bank of recognised international standing) as a condition of the IsDB providing financing.

#### *Instalment Sales*

Through the use of instalment sales, the IsDB provides medium to long-term financing to private or public sector institutions. Typically, the IsDB will procure, purchase and on-sell equipment to the beneficiary at a mark-up, allowing the beneficiary to make the payment on a deferred basis.

Payment, however, must be guaranteed (usually by the relevant Member Country's government, governmental agencies or a commercial bank with an acceptable credit quality) as a condition to the IsDB providing financing. Ownership of the relevant property is transferred to the beneficiary on delivery.

#### *Services Ijarah*

Services Ijarah is used by the IsDB to provide medium and long-term financing to finance intangible assets (for example, services for operations and maintenance).

#### *Restricted Mudaraba*

Restricted Mudaraba is based on the profit-sharing and loss-bearing Mudaraba contract where profits are shared between the parties based on the terms of the Mudaraba agreement. IsDB as a Rab al Maal provides capital under a line of financing facility to a Mudarib who invests this capital based on prescribed investment criteria such as sector, commercial terms and security package. IsDB also obtains a third party sovereign guarantee covering the investment risk in addition to the underlying projects' security package. Restricted Mudaraba contracts are stated at the amount of disbursements made, less impairment (if any).

### **Concessional Financing**

The IsDB provides the following concessional financing (**Concessional Financing**).

#### *Interest-Free Loan (Qard-Hassan)*

The IsDB provides interest-free loans for the purpose of financing development and infrastructure projects. These loans represent a form of long-term financing by the IsDB (from 15 to 30 years including a grace period of 3 to 10 years). The IsDB's loans are usually extended to government and public sector institutions, with the relevant Member Country's government providing a guarantee of repayment in circumstances where the loan is provided to a public sector company. All loans made by the IsDB are offered free of interest and on concessional terms. The IsDB funds its loan operations not only from IsDB-OCR but also from the ISFD. The IsDB charges a small service fee during the implementation period of the project to cover the administrative expenses incurred by it in providing the loan.

#### *Technical Assistance*

Technical assistance is used for hiring consultants to prepare, supervise and implement projects or carry out feasibility studies. In addition, it may also be used to support the capacity building activities in the Member Countries. The financing extended by the IsDB may take the form of either a grant of up to ID200,000 or an interest-free loan payable over 15 years. The IsDB charges a service fee up to an amount not exceeding 1.5 per cent. per annum of the face amount of the loan during the period of implementation or disbursement to partially cover administrative expenses in connection with the provision of such

financing. The IsDB funds its technical assistance financing from IsDB-OCR's income and income from the Waqf Fund.

LDMCs are given priority by the IsDB in connection with the distribution of grants for technical assistance. This is especially so for agriculture and infrastructure projects in those countries.

### *Special Assistance*

The special assistance programme (currently known as Communities Outreach Programme and previously known as Special Assistance Division) aims to contribute to socio-economic development of Muslim communities in non-member countries, with a focus on social projects such as education, health, women empowerment, vocational schools, entrepreneurship and capacity building. The IsDB funds its Communities Outreach Programme from IsDB-OCR's income and income from the Waqf Fund. The use of special assistance/Communities Outreach grants has been effective in enabling Muslim communities in non-Member Countries to be productive citizens in their countries, encouraging more inclusive growth. As at the date of this Base Prospectus, the Communities Outreach program has financed 1741 operations and programmes since inception with total approvals of up to U.S.\$ 856.2 million. These operations are located in 84 countries in 8 geographical sub-regions in non-Member Countries globally. The IsDB approved U.S.\$2 million financing for 13 projects in 9 countries under the Communities Outreach programme in 2021, which comprised U.S.\$2 million from the Waqf Fund.

### **Equity**

The IsDB-OCR makes equity investments in Shari'a compliant industrial and agro-industrial projects and Islamic banks and financial institutions of Member Countries. In accordance with the Articles of Agreement, the IsDB should not acquire majority or controlling interest in the share capital of a company. Investments in equity capital by the IsDB-OCR are made to maximise its developmental objectives and are sold at a time when the IsDB considers it appropriate.

The IsDB-OCR's equity portfolio comprises the following categories of investments:

#### *Quoted investments recognised at fair value:*

Investments designated at fair value through equity are represented by quoted investments in equities. These investments are intended to be held for a long-term period and may be sold in response to liquidity needs or changes in market prices. Initially and subsequently such investments are measured at fair market value, and any unrealized gains or losses arising from the change in their fair values are recognized directly in the fair value reserve under members' equity until the investment is derecognized, at which time the cumulative gain or loss previously recorded under the members' equity is recognized in the income statement.

#### *Unlisted investments in equities and funds measured at fair value through equity*

Unlisted investments in equities and funds are carried at fair values, which are determined by independent valuers in case of unlisted equities and on the basis of net asset values in case of investment in funds. Fair value gains or losses are reported in fair value reserve in equity. If there is objective evidence that an impairment loss has been incurred, the amount of impairment is measured as the difference between the carrying amount of investment and its expected recoverable amount. Impairment losses recognised in income statement are reversed through statement of changes in members' equity. After the initial designation, the Bank shall not reclassify investments in equity-type securities into or out of the fair value through its statement of changes in members' equity category.

### *Investments in associates*

In accordance with the Articles of Agreement, Articles 17.2 and 17.5 "The Bank shall not acquire a majority or controlling interest in the share capital of the project in which it participates except when it is necessary to protect the Bank's interest or to ensure the success of such project or enterprise" and "The Bank shall not assume responsibility for managing any project or enterprise in which it has invested except when necessary to safeguard its investment".

Consequently, the IsDB-OCR does not exercise control over any of its investments regardless of percentage of voting rights. For investments in which the IsDB-OCR holds 20 per cent. or more of the voting rights the IsDB-OCR is presumed to have significant influence and hence such investments are accounted for and classified as investments in associates.

The IsDB-OCR's share of its associates' post-acquisition profits or losses is recognised in the income statement; its share of post-acquisition movements in reserves is recognised in equity.

The total value of the equity portfolio of the IsDB-OCR, which includes equity investments and investment in associates, as at 31 December 2020 amounted to ID 1,183.6 million (U.S.\$ 1,704.7 million) compared to ID 1,298.0 million (U.S.\$1,794.9 million) as at 31 December 2019.

### **Combined Line of Financing**

The IsDB extends combined lines of financing to NDFIs and Islamic banks primarily in order to promote growth and development among small and medium scale industries in the private sector. The combined lines of financing extended comprise leasing, instalment sale and Istisna'a or a combination of these modes of financing.

Under this mode of medium-term financing, the IsDB approves a line of financing for a fixed amount which an NDFI relies on to, in turn, approve and finance individual projects by making a draw down on the line of finance. Repayments are typically guaranteed (usually by the NDFI itself or, in rare cases, by a commercial bank with a credit quality acceptable to the IsDB, such credit quality determined in accordance with the IsDB's rules and regulations) as a condition of the IsDB providing the financing. The IsDB is also involved in providing co-financing arrangements with other financial institutions.

### **SUSTAINABLE FINANCE FRAMEWORK**

From time to time and pursuant to the Programme, the Trustee intends to issue trust certificates whose net proceeds would be used to finance or refinance, in whole or in part, a portfolio of eligible green projects (such projects being **Green Projects** and such trust certificates being **green trust certificates**) or a combination of both Green Projects and eligible social projects (such projects being Social Projects and such trust certificates being **sustainable trust certificates**). Eligible categories for Green Projects and Social Projects are set out in IsDB's sustainable finance framework (the **Sustainable Finance Framework**). In relation to any issue of sustainable trust certificates, the IsDB will endeavour to allocate the proceeds to a mix of both Green Projects and Social Projects. However, in the event that the IsDB only has Social Projects available for allocation of the proceeds, any such trust certificates shall still be classified as a sustainable trust certificates. On an annual basis, the IsDB will publish an allocation and impact report in respect of its Green Projects and Social Projects portfolios. For the avoidance of doubt, finance provided to any business or project that is not eligible under the criteria that will be set out in the Sustainable Finance Framework will not be considered as the use of proceeds of a green trust certificate or a sustainable trust certificate.

The IsDB has broadly defined the eligible categories of Green Projects and Social Projects in accordance with the "Green Bond Principles 2018" and "Social Bond Principles 2018" promulgated by the International Capital Market Association.

Green Projects categories include:

- renewable energy;
- clean transportation;
- energy efficiency;
- pollution prevention and control;
- environmentally sustainable management of natural living resources and land use; and
- sustainable water and wastewater management.

Social Project categories include:

- employment generation / small and medium enterprise financing;
- affordable housing;
- affordable basic infrastructure;
- access to essential services; and
- socioeconomic advancement and empowerment.

Up to 100 per cent. of the proceeds of any green trust certificates or sustainable trust certificates issue may be applied to refinance existing Green Projects or Social Projects (as applicable) within the eligible categories listed in the Sustainable Finance Framework. Where any portion of the proceeds of a green trust certificates or sustainable trust certificates issue has not been applied to finance Green Projects and/or Social Projects within such eligible categories, proceeds may be deployed according to the IsDB's general funding requirements. The proceeds of any green trust certificates or sustainable trust certificates issue may be applied globally without geographical restriction.

The IsDB has appointed CICERO – Shades of Green (**CICERO**) to provide an external review of the IsDB's Sustainable Finance Framework. Both the Sustainable Finance Framework and CICERO's review report will be published on the IsDB's website at the following address: <https://www.isdb.org/what-we-do/investor-relations>.

## **LITIGATION**

Historically, the IsDB has not had any significant litigation or arbitration proceedings. As at the date of this Base Prospectus, the IsDB is involved in two claims which the management of the IsDB do not believe will have a material adverse impact upon the IsDB's business, financial condition, results of operations or prospects and it is not aware of any pending or threatened litigation or arbitration.

## **ISDB GROUP ADMINISTRATIVE TRIBUNAL**

The Board of Executive Directors approved in June 2020, in its capacity as board of IsDB and ICIEC, the establishment of the IsDB Group Administrative Tribunal which was endorsed in September 2020 by the respective boards of directors of ICD and ITFC. The Board of Executive Directors appointed the judges in February 2021 and the tribunal has become operational after its inaugural meeting held in February 2022.

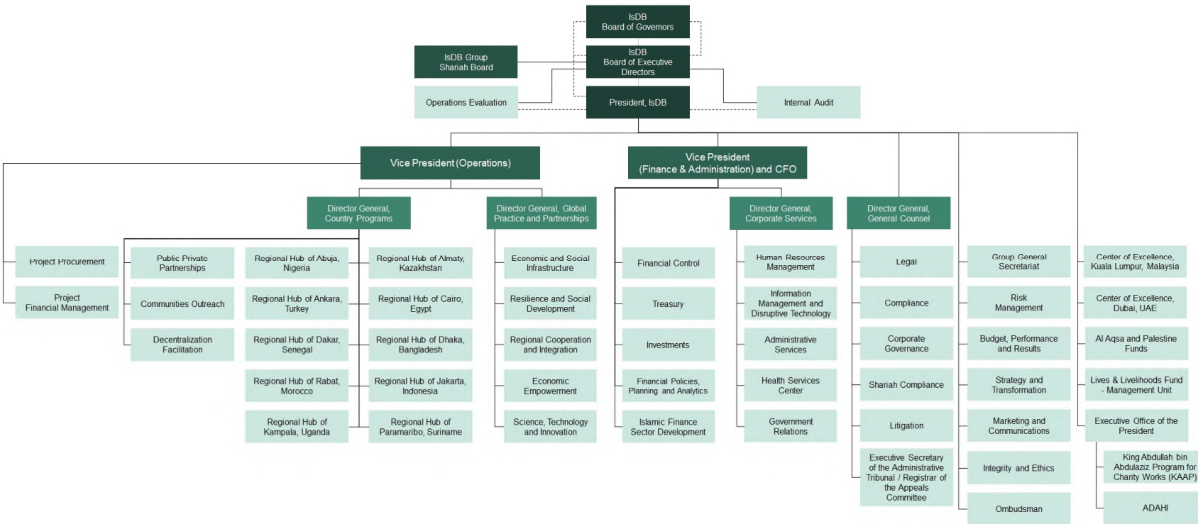
The IsDB Group Administrative Tribunal is competent to hear applications alleging non-observance, in substance or in form, of the contract of employment or the terms of appointment of IsDB Group staff members. The decisions of the IsDB Group Administrative Tribunal are final and binding.

The Executive Secretariat is headed by the Executive Secretary/Registrar of the tribunal who will oversee the unit. He or she administratively reports to the General Counsel and functionally to the chairman of the tribunal.

**ORGANISATION AND MANAGEMENT**

**Organisational Structure**

The following diagram sets out the management structure of the IsDB as at the date of this Base Prospectus.



**Board of Governors**

All the powers of the IsDB are vested in the Board of Governors. According to the IsDB’s Articles of Agreement, each Member Country is represented on the Board of Governors and appoints one Governor (**Governor**) and one Alternate Governor (**Alternate Governor**). As at the date of this Base Prospectus, the IsDB’s membership stood at 57 Member Countries represented by 57 Governors on the Board of Governors along with an equal number of Alternate Governors. Each Member Country has five hundred basic votes plus one vote for every share subscribed to the IsDB. Generally, decisions are taken by the Board of Governors based on a majority of the voting power represented in a meeting for which a quorum is present. The Board of Governors meets once every year to review the activities of the IsDB for the previous year and to decide future policies. The Board of Governors designates a chairman at each annual meeting. The chairman of the Board of Governors holds the chairman seat until his successor is elected at the next meeting of the Board of Governors.

The Board of Governors is the highest authority at the IsDB and may delegate the exercise of certain powers to the Board of Executive Directors. Some of the powers that the Board of Governors cannot delegate under the Articles of Agreement include: admission or suspension of Member Countries, changes in the authorised capital stock, election of the President and the Executive Directors (defined below) and determining their terms of service, approving the auditor's report and financial statements, as well as determining the reserve and distribution of net income. Pursuant to the Articles of Agreement, the Board of Governors may also adopt such rules and regulations and establish such subsidiary institutions as may be necessary to conduct the business of the IsDB. The Board of Executive Directors may request that the Board of Governors meet prior to its usual annual meeting.

**Board of Executive Directors**

The Board of Executive Directors is responsible for the direction of the general operations of the IsDB and exercises all powers delegated to it by the Board of Governors including preparing the work of the Board of Governors, taking decisions concerning the business of the IsDB and its operations, approving the budget and submitting the accounts of each financial year for the approval of the Board of Governors at each annual meeting. All matters before the Board of Executive Directors are decided by a majority of the voting power represented at the meetings of the Board of Executive Directors.

Each member on the Board of Executive Directors (an **Executive Director**) represents one or more Member Country and, in voting, each is entitled to cast the number of votes that counted toward his election or appointment, which need not be cast as a unit. Each Executive Director holds office for three years and may be re-appointed (if such Executive Director represents one Member Country) or re-elected (if such Executive Director represents a group of Member Countries).

The Board of Executive Directors is composed of members who are not members of the Board of Governors and their number may be increased at the discretion of the Board of Governors. The number of Executive Directors was increased to 11 at the 9th annual meeting of the Board of Governors held in 1405H (1985), to 14 at the 23rd annual meeting held in 1419H (1998), to 16 at the 33rd annual meeting held in 1429H (2008), and thereafter to 18 at the 36th annual meeting held in 1432H (2011).

The Executive Directors who do not represent the nine major Member Countries with the right to appoint Executive Directors were elected by the Board of Governors for the 16th session at the 45<sup>th</sup> annual meeting of the Board of Governors. The term of the 16th session started on 1 January 2021 and will end on 31 December 2023.

The table below indicates the composition of the Executive Directors as at the date of this Base Prospectus.

<b>Name</b>	<b>Nationality</b>	<b>Countries Represented</b>
Hon. Dr. Hamad Bin Suleiman Al Bazai *	Saudi Arabian	Saudi Arabia
Hon. Hamed Arabi Elhouderi *	Libyan	Libya
Hon. Dr. Seyed Abbas Hosseini *	Iranian	Iran
Hon. Khalaf Sultan AI Dhaheri *	Emirati	UAE
Hon. Dr Mahmoud ISA-DUTSE *	Nigerian	Nigeria

<b>Name</b>	<b>Nationality</b>	<b>Countries Represented</b>
Hon Bader Ahmed Al Emadi *	Qatari	Qatar
Hon. Dr. Nada Massoud *	Egyptian	Egypt
Hon. Abdul Ghaffar Aqeel Al-Awadhi *	Kuwaiti	Kuwait
Hon. Murat Zaman *	Turkish	Turkey
Hon. Anuska Ramdhani	Surinamese	Indonesia, Malaysia, Brunei Darussalam, Suriname, Guyana
Hon. Mian Asad Hayaud Din	Pakistani	Afghanistan, Pakistan, Bangladesh, Maldives
Hon. Abdelaziz Faid	Algerian	Algeria, Morocco, Mauritania, Tunisia
Hon. Hassan Jaafar Abdulrahman	Sudanese	Oman, Bahrain, Sudan, Yemen
Hon. Khalifa Sarr	Senegalese	Burkina Faso, Togo, Gambia, Senegal, Mali, Niger
Hon. Ammar Khalaf Ibrahim	Iraqi	Jordan, Iraq, Palestine, Syria, Lebanon
Hon. Issa Jandi	Guinea Bissauan	Cote d'Ivoire, Benin, Guinea, Guinea Bissau, Sierra Leone, Cameroon
Hon. Tamerlan Taghiyev	Azerbaijani	Albania, Azerbaijan, Kazakhstan, Kyrgyz, Tajikistan, Turkmenistan, Uzbekistan
Hon. Eric Mbaihasra	Chadian	Mozambique, Uganda, Chad, Gabon, Djibouti, Comoros, Somalia

\* Appointed Executive Directors

The following table describes the principal activities performed by each member of the Board of Executive Directors outside of the IsDB:

<b>Name</b>	<b>Principal Outside Activities</b>
Hon. Dr. Hamad Bin Suleiman Al Bazai *	Former Deputy Minister of Finance, Saudi Arabia
Hon. Hamed Arabi Elhouderi *	Chairman of the Board of Directors of the Libyan Foreign Investment Co. LAFICO
Hon. Dr. Seyed Abbas Hosseini *	Vice Minister of Banking, Insurance and State – Owned Companies

<b>Name</b>	<b>Principal Outside Activities</b>
Hon. Khalaf Sultan Al Dhaheri *	Vice Chairman in the Private Office of H.E. Sultan Bin Rashed Al Dhaheri, UAE
Hon. Dr Mahmoud ISA-DUTSE *	Managing Consultant , Sayel Advisors
Hon. Bader Ahmed Al Emadi *	Director, International Cooperation Department, Ministry of Finance, Qatar
Hon. Dr. Nada Massoud *	Advisor to the Minister of Planning and Economic Development and Head of the Macroeconomic and Policy Unit, Ministry of Planning and Economic Development, Egypt
Hon. Abdul Ghaffar Aqeel Al-Awadi *	Assistant Undersecretary for General Accounts Affairs and Acting Assistant Undersecretary for General Budget Affairs, Ministry of Finance, State of Kuwait
Hon. Murat Zaman *	Deputy Minister of Treasury and Finance
Hon. Anuska Ramdhani	Senior Sector Coordinator, Ministry of Finance and Planning, Republic of Suriname
Hon. Mian Asad Hayaud Din	Secretary Economic Affairs Division, Ministry of Economic Affairs Government of Pakistan
Hon. Abdelaziz Faïd	General Director for Budget, Ministry of Finance, People's Democratic Republic of Algeria
Hon. Hassan Jaafar Abdulrahman	Project Coordinator in the Project Implementation Unit of the Strengthening Sub-National Fiscal Policy Management Project, Ministry of Finance and Economic Planning, Republic of Sudan
Hon. Khalifa Sarr	Adviser to the Minister, Ministry of Economy, Planning and Cooperation, Republic of Senegal
Hon. Ammar Khalaf Ibrahim	Deputy General Manager, Department of Financial Operations & Debt Management, Central Bank of Iraq, Republic of Iraq
Hon. Issa Jandi	Director General of Planning, State Secretariat of Planning and Regional Integration, Directorate General of Planning, Republic of Guinea-Bissau
Hon. Tamerlan Taghiyev	Government Fellow, International Trade and Investment Portfolio, Ministry of Economy, Republic of Azerbaijan
Hon. Eric Mbaihasra	Head of Multilateral Cooperation Division, Ministry of Economy and Development Planning, Republic of Chad



\* Appointed IsDB Executive Directors

The business address of the members of the Board of Executive Directors is 8111 King Khalid Street, Al Nuzlah Al Yamania District – Unit No. 1, Jeddah 22332-2444 in the KSA.

## **The President**

The president of the IsDB (the **President**), who is the legal representative and chief executive officer of the IsDB, is elected by the Board of Governors for a term of five years (which is renewable) and is responsible for conducting business under the direction of the Board of Executive Directors. He also serves as the chairman of the Board of Executive Directors without voting power, except a casting vote in the event of an equal division of votes. The President of the IsDB is also the chairman of the IsDB Group. The business address of the President is 8111 King Khalid Street, Al Nuzlah Al Yamania District – Unit No. 1, Jeddah 22332-2444 in the KSA.

The Board of Governors have elected H.E. Dr. Muhammad Sulaiman Al Jasser as the President of the IsDB for a five-year term, such term having commenced on 9 August 2021.

H.E. Dr. Muhammad Sulaiman Al Jasser served as an advisor at the General Secretariat of the Saudi Council of Ministers and chairman of the General Authority for Competition from 2016 to 2021. He also served as the Minister of Economy and Planning and Governor and chairman of the board of the Saudi Arabian Monetary Agency (SAMA), the Saudi Central Bank. In addition, he was a member of several ministerial councils, boards, and committees, including the Council for Economic Affairs and Development, the Supreme Council for Civil Defense, the board of directors of the Saudi Food and Drug Authority, the board of directors of the Public Investment Fund, the Higher Committee for Hajj (Pilgrimage) Affairs and the Ministerial Environmental Committee, among many others.

The following report to the President:

- Islamic Solidarity Fund for Development (ISFD);
- Center of Excellence for the Gulf for Strategic Partnerships and Resource Mobilization;
- Center of Excellence Kuala Lumpur, Malaysia;
- Directorate General, General Counsel;
- Strategy and Transformation;
- Risk Management;
- Internal Audit (reports administratively to the President and functionally to the Board);
- Operations Evaluation (reports administratively to the President and functionally to the Board);
- Marketing and Communications;
- Group General Secretariat;
- Integrity and Ethics;
- Executive Office of the President;

- Budget, Performance and Results;
- Government Relations (reports functionally to the President and administratively to the DG-Corporate Services);
- Al-Aqsa & Palestine Funds;
- Lives and Livelihoods Fund Management Unit; and
- Ombudsman.

### **The Vice Presidents**

As at the date of this Base Prospectus, the IsDB has two Vice President positions:

- Vice President (Operations); and
- Vice President (Finance & Administration) & Chief Financial Officer.

The Vice Presidents are appointed for a period of three years, which is renewable.

Vice Presidents are appointed by the Board of Executive Directors on the recommendation of the President and they report directly to the President. Vice Presidents may participate in meetings of the Board of Executive Directors but have no vote at such meetings, except that the ranking Vice President may cast the deciding vote when acting in the absence of the President as the chairman of a Board of Executive Directors meeting.

As at the date of this Base Prospectus, the two Vice Presidents are as follows.

#### *Vice President Operations - Dr. Mansur Muhtar*

Dr. Mansur Muhtar is the Vice President Operations at the IsDB, Jeddah. He has previously served as Executive Director on the Board of the World Bank Group (2011 – 2014) as well as Co-Chair of the United Nations Inter-Governmental Committee of Experts on Sustainable Development Finance (2013 - 2014).

He was also Minister of Finance, Federal Republic of Nigeria and Chairman of the National Economic Management Team (2008 - 2010); Executive Director, African Development Bank (2007 - 2008); and Director-General of Nigeria's Debt Management Office (2003 - 2007).

In earlier stages of his career, he was Senior Lecturer and Head of Economics Department, Bayero University, Kano, Nigeria and worked for approximately a decade at the World Bank headquarters, serving in various positions, including Senior Economist and Administrator, Young Professionals Program. He also served briefly as Deputy General Manager, Strategic Management and Economics Division, United Bank of Africa Plc. and Distinguished Fellow, Center for the Study of Economies of Africa, Abuja.

Dr. Muhtar holds a Doctorate Degree in Economics, obtained from the University of Sussex, U.K. and a master's degree in Economics and Politics of Development from University of Cambridge, UK. He is also an alumnus of Ahmadu Bello University, Nigeria, and King's College, Lagos. He has attended numerous leadership and professional development courses at the Kennedy School, Harvard University; the Wharton School, University of Pennsylvania; and the Singapore Civil Service Administrative College. Mr. Muhtar is a recipient of the Nigeria National Honors Award – Officer of the Federal Republic (OFR) – for contribution to national development.

The following report to the Vice President – Country Programs:

- Director General Country Programs:
  - the regional hub of Abuja, Nigeria;
  - the regional hub of Almaty, Kazakhstan;
  - the regional hub of Ankara, Turkey;
  - the regional hub of Cairo, Egypt;
  - the regional hub of Dakar, Senegal;
  - the regional hub of Dhaka, Bangladesh;
  - the regional hub of Rabat, Morocco;
  - the regional hub of Jakarta, Indonesia;
  - the regional hub of Kampala, Uganda;
  - the regional hub of Paramaribo, Suriname; and
  - the Decentralization Facilitation;
  - Project Procurement;
  - Project Financial Management;
  - Public Private Partnerships; and
  - Communities Outreach.
- Director General – Global Practice & Partnership:
  - Economic & Social Infrastructure;
  - Resilience & Social Development;
  - Regional Cooperation & Integration;
  - Economic Empowerment; and
  - Science, Technology, and Innovation.

*Vice President (Finance & Administration) and CFO - Dr. Zamir Iqbal*

Prior to joining the IsDB, Dr. Iqbal served as head of the World Bank Global Islamic Finance Development Center in Istanbul. He has more than 25 years of experience of capital markets, asset management, risk management, and financial sector at the World Bank. Islamic finance has been his research focus and he has co-authored several articles and books on Islamic finance on the topics of banking risk, financial inclusion, economic development, financial stability, and risk-sharing. He played an instrumental role in the publication of World Bank and IDB's first Global Report on Islamic Finance.

He earned his Ph.D. in international finance from the George Washington University and served in the professional faculty at Carey Business School of Johns Hopkins University.

The following departments report to the Vice President (Finance & Administration) & CFO:

- Financial Control;
- Treasury;
- Investments;
- Financial Policies, Planning & Analytics; and
- Islamic Finance Sector Development.
- DG – Corporate Services
  - Human Resources Management
  - Information Management & Disruptive Technology
  - Administrative Services
  - Health Services Center
  - Government Relations (reports administratively to the DG-Corporate Services and functionally to the President)

### **No Potential Conflicts of Interest**

There is no potential conflict of interest between any duties toward the IsDB of any of the persons referred to above and their respective private interests and/or duties. The most senior levels of management of the IsDB are comprised of the Board of Governors, the Board of Executive Directors, the President and the three vice president positions of the IsDB.

### **Activities of the Board of Executive Directors of the IsDB in 2020**

The Board of Executive Directors held five meetings, approved 15 projects and adopted 88 resolutions on financing and policy matters during 2020.

The Board of Executive Directors also held several meetings of its committees (such as the Audit Committee, the Operations & Development Effectiveness Committee (ODEC), the Finance & Risk Management Committee (FRMC), the Governance & Administrative Committee (GAC)) and a joint meeting of three committees of the Board of Executive Directors during this period.

### **Committees**

#### *The Audit Committee*

The Audit Committee is the sub-committee of the Board of Executive Directors that reviews financial and risk issues and policies that are material to the financial position and the risk profile of the IsDB. The Audit Committee assists the Board of Executive Directors in carrying out its responsibilities and, in particular, participates in the development of timely corrective actions in order to address issues

identified by both the Board of Executive Directors and external auditors as they arise. The Audit Committee also participates in defining the IsDB's risk management framework in order to ensure that there are appropriate controls in respect of the IsDB's financial transactions. The Audit Committee also reviews the IsDB Risk Report semi-annually and follows up with management on trends, key risks and planned responses.

#### *The Finance and Risk Management Committee*

The Finance and Risk Management Committee (**FRMC**) is the sub-committee of the Board of Executive Directors that assists the Board of Executive Directors in reviewing the annual budget and assessing financial implications, evaluating risk management and control mechanisms and reviewing financial performance and policies of the IsDB to ensure financial sustainability.

#### *The Governance and Administrative Committee*

The Governance and Administrative Committee (**GAC**) is the sub-committee of the Board of Executive Directors that reviews major ethics and integrity issues and reporting mechanisms, assesses the adequacy and effectiveness of corporate governance policies and reviews the alignment of HR strategy and policies with business requirements.

#### *The Operations Development Effectiveness Committee*

The Operations Development Effectiveness Committee (**ODEC**) is the sub-committee of the Board of Executive Directors that assists the Board of Executive Directors in reviewing key projects submitted by the management to the Board of Executive Directors for approval, discusses portfolio reviews, reviews the Operations Performance and Results Annual Report, reviews operational policy and makes recommendations to the Board of Executive Directors. The ODEC also assists the Board of Executive Directors in assessing development effectiveness of the programmes and activities of the IsDB.

#### *The Ethics Committee*

The Ethics Committee was established by the Board of Executive Directors during its meeting held in December 2021 after the approval of the IsDB Code of Conduct for the Board of Executive Directors. This sub-committee of the Board of Executive Directors has authority to consider matters relating to the interpretation and application of the Code of Conduct for the IsDB Board of Executive Directors; it may also provide guidance concerning conflicts of interest or other ethical aspects of conduct in respect of Board Members and consider allegations of misconduct by Board Members.

#### *The Risk Management Committee*

The Risk Management Committee (**RMC**) is a management committee that considers, reviews, clears and recommends, as the case may be, various matters and issues related to the risk management function of the IsDB. The RMC is also responsible for reviewing the risk management policies, procedures and guidelines of the IsDB. Meetings of the RMC are held monthly (and whenever deemed necessary at the request of the Chairperson or the alternate/acting Chairperson) and are chaired by the President or alternatively by the Vice President (Finance & Administration) & CFO.

#### *Asset and Liability Management Committee (ALCO)*

The Asset and Liability Management Committee's main objectives comprise: (i) safeguarding the net worth and capital adequacy of the IsDB in order to maintain its "AAA" rating, (ii) promoting growth in the IsDB's risk bearing capacity through steady income accumulation and capital increases when required, and (iii) defining sound financial policies to enable the IsDB to take acceptable levels of

financial risk in order to provide resources for developmental projects at the lowest and most stable funding cost along with reasonable lending terms without jeopardising the IsDB's financial strength. ALCO meetings are held monthly (and whenever deemed necessary at the request of the Chairperson) and are chaired by the Vice President (Finance & Administration) & CFO.

## **Employees**

As at 31 December 2020, the IsDB had 888 employees in its headquarters and 156 based in regional hubs in Member Countries in line with the IsDB's commitment to decentralise its operations.

## RISK MANAGEMENT

The financing policies of the IsDB are governed by the Articles of Agreement which, *inter alia*, stipulate that, to safeguard its interests, the IsDB should ensure that the recipient of financing and its guarantor will be in a position to meet their obligations and that the financing promotes complementary aspects in the economies of Member Countries, promotes the well-being of people in the Member Countries and avoids a disproportionate use of the IsDB-OCR's resources for the benefit of any one or a few Member Countries. As of 31 December 2020, 90.6 per cent. of all the IsDB-OCR's financing operations (being Murabaha financing, Istisna'a, restricted Mudaraba, instalment sale, Ijarah and loans but excluding equity investments), are sovereign exposures.

The IsDB has in place a comprehensive exposure management framework that determines maximum limits for Member Countries, financial institutions, sovereign and non-sovereign projects and corporates. It also determines concentration limits for the treasury portfolio and total country portfolio.

### The Risk Management Department

The Risk Management Department (**RMD**) is independent from all business departments as well as other entities of the IsDB and reports directly to the President of the IsDB. The RMD is responsible for developing risk policies, guidelines and procedures and for identifying, measuring, managing and monitoring of all types of risks inherent in the IsDB's activities.

At the date of this Base Prospectus, the IsDB has in place the following policies and guidelines:

- Country Risk Assessment Guidelines and Rating Models;
- Financial Institutions Risk Assessment and Rating Models;
- Project Finance Risk Assessment Guidelines and Rating Models;
- Corporate Finance Risk Assessment Guidelines and Rating Models;
- Guidelines for the Acceptance of Assignment of Receivables;
- Best Business Practices and Customer Due Diligence Standards;
- Exposure Management Framework
- Capital Adequacy Framework;
- Market Risk Management Guidelines;
- Operational Risk Management Framework;
- Liquidity Policy;
- Liquidity Investment Strategy;
- Liquidity Risk Management Guidelines;
- Hedging Guidelines; and

- Leverage Policy.

The RMD submits regular reports with recommendations to the RMC and the Audit Committee on risk related issues including adherence to policies, limits and guidelines.

### **Credit Risk Management**

The IsDB has in place comprehensive credit policies, guidelines and internal rating models as a part of its overall credit risk management framework. These policies are communicated within the IsDB in order to maintain the IsDB's overall credit risk profile within the parameters set by the management. The credit policy formulation, credit limit setting, monitoring of credit exceptions, exposures, and review and monitoring functions are performed independently by the RMD, which endeavours to ensure that business lines comply with risk parameters and prudential limits established by the Board of Executive Directors.

An important element of credit risk management is the establishment of exposure limits for a single credit beneficiary or obligor and group of connected obligors based on the risk capacity of the IsDB and credit strength of the beneficiary or obligor. Credit limits for Member Countries regarding financing operations as well as placement of liquid funds are also in place.

The assets which expose the IsDB to credit risk principally consist of commodity placements, Murabaha financing, Istisna'a assets, instalment sale financing, loans and Ijarah muntahia bittamleek, which are mainly covered by sovereign guarantees and commercial bank guarantees acceptable to the IsDB, in accordance with the eligibility criteria and credit risk assessments. The IsDB's liquid fund investments portfolio is managed by the IsDB's treasury department (**Treasury Department**) and comprises transactions with reputable banks. The IsDB benefits from preferred creditor status on sovereign financing, which gives it priority over other creditors in the event of default thus constituting a strong protection against credit losses.

The assessment of exposure is based on detailed guidelines and internal rating models for sovereign and non-sovereign obligors eligible to enter into business relationship with the IsDB. While extending financing to obligors in its Member Countries, the IsDB attempts to safeguard its interests by verifying that both the obligors as well as the guarantors are able to meet their obligations to the IsDB. As an additional mitigating measure, the amount of financing is determined based on a detailed exposure limits framework that takes into consideration the credit profile of the obligor and its repayment capacity.

The credit review process in the IsDB, as at the date of this Base Prospectus, can be summarised as follows:

The credit granting process is based on in-depth due diligence starting from the business departments through the Operations Committees (chaired by the Vice President – Sector Operations), which conducts detailed overall project review, the Vice President (Sector Operations) and ultimately the President for approval (or submission to the Board of Executive Directors for approval if beyond the level of delegated authority). The RMD conducts an independent risk review of proposed financing operations and communicates the outcome to the respective business department and committees. RMD views are clearly reflected in all investing and financing proposals to support management to make informed and objective decisions.

### **Market Risk Management**

The IsDB does not trade in currencies, securities or equities and therefore has only a limited exposure to market risk. Nevertheless, the Asset and Liability Management Committee meets every month to discuss, among other things, potential market risk exposures of the IsDB. The IsDB has no exposure to sub-prime



or other distressed financial assets, nor does the IsDB have any exposure to collateralised debt obligations, collateralised loan obligations or other equivalent asset backed products.

#### *Mark-up Risk Management*

The IsDB is exposed to mark-up risk on its investments in cash and cash equivalents, commodity placements, Murabaha financing, Istisna'a assets, Ijarah assets, investments in sukuk and sukuk liabilities. In respect of the financial assets, a portion of the IsDB's returns are based on a benchmark and hence vary according to the market conditions. The IsDB generally uses the London Interbank Offered Rate as a benchmark to determine the mark-up rate on its financing. The final mark-up rate on the financing is worked out after adding a margin to the benchmark rate. In case of Murabaha, instalment sales and Istisna'a modes of financing, the mark-up rates are fixed throughout the repayment period.

#### *Funding Risk Management*

To minimise exposure to mismatches, the IsDB Asset-Liability Management strategy is to match-fund financing to the maximum extent possible, based on various parameters including mark-up, currency and tenor. The funding requirement is assessed regularly as part of resource mobilisation plan in order to ensure that the IsDB is adequately funded.

The ALM Framework of the IsDB adopts the book separation approach for balance-sheet management. The equity-funded portfolio, which is funded by free capital, is to maximise the risk adjusted return whereas the objective of market-funded portfolio is to stabilise the IsDB's net profit margin.

Furthermore, the IsDB has developed a Shari'a compatible mark-up rate hedging mechanism which enables the IsDB to swap the floating rate into fixed rate or vice versa. In case of Ijarah financing, however, the IsDB has the flexibility of charging a floating rate or a fixed rate for the entire tenor of the financing depending on the agreement reached with the beneficiary.

#### *Liquidity Risk Management*

The IsDB adopts a conservative approach by maintaining high liquidity levels invested in cash, cash equivalents, commodity placements and Murabaha financing with short-term maturity of three to twelve months. A major feature of this liquidity management policy (unlike other Multilateral Development Banks) is to place the IsDB's liquid funds with banks, from both Member Countries and non-Member Countries, in Shari'a compliant manner. The Prudential Minimum Liquidity (**PML**) requirement, which is the minimum level of equity-funded liquidity that shall be maintained at all times, is estimated regularly based on future expected net cash requirements of the IsDB. The PML is maintained over and above any operational liquidity requirements and ensures a liquidity coverage period of 18 months under normal, and 12 months under stressed, market conditions.

To proactively preserve the IsDB's liquidity and risk capital from erosion and minimise volatility in income, the Liquidity Risk Management Guidelines clearly define objectives for each liquid portfolio along with the associated liquidity risk parameters to mitigate the various risks the portfolio is exposed to as follows:

- Market Risk - defines funding, size, eligible investments, average duration, currencies, etc.
- Performance - defines approach for establishing investment benchmarks and performance reporting.
- Hedging - authorises the Treasury Department to hedge to minimise market risk exposure and protect net profit margin through foreign exchange transactions, profit rate swaps and cross-

currency swaps; however, swap counterparty credit exposures must be minimised through exchange agreements or posting eligible collateral for exposures in excess of ID1 million.

- Credit Risk - transactions shall be conducted only within assigned limits (exposure, concentration, diversification, etc.) with counterparties approved by RMC. A prudential counterparty risk mitigation framework defines: (i) approved counterparties, (ii) minimum credit rating thresholds for specific instruments, (iii) prudential exposure limits; and (iv) counterparty credit risk mitigation measures to be adhered to. All deviations are to be approved by RMC upon the recommendation of RMC.
- Credit Quality - liquidity investments are restricted to the authorised transactions that are classified by type of investment counterparty, maturity, minimum rating and liquidity to ensure that such liquidity can be liquidated in a period of stress with ease and minimal losses.
- Key diversification parameters include:
  - Maximum country limit of 15 per cent. of liquid fund placements.
  - Maximum counterparty limit of 5 per cent. of liquid fund placements.

The guidelines establish investment constraints consistent with the IsDB's level of risk tolerance on the basis of which a separate Liquidity Investment Strategy is developed and its implementation monitored.

### **Middle Office**

As part of its risk control function, the Financial Policies, Planning and Analytics unit (**FPPA**) through its Compliance and Monitoring unit (i.e. its middle office function) ensures treasury and investment static data are created and well maintained in the IsDB's core Treasury and Investment system. The function also performs control and compliance monitoring and reporting in respect of the internal policies, guidelines and limits.

### **Impairment of Financial Assets**

#### *Operational Assets*

An assessment is made at each balance sheet date to determine whether there is evidence that a financial asset or group of financial assets may be impaired. In connection with the IsDB's participation in the debt relief initiative for the Heavily Indebted Poor Countries, the IsDB suffers losses from rescheduling amounts due from certain countries under mutually agreed settlement plans. The loss results from the difference between the carrying amount of the asset and the net present value of expected future cash flows discounted at the implicit rate of return of the financial asset mentioned in the agreement. The impairment provision is periodically adjusted based on a review of the prevailing circumstances. In addition, a portfolio provision is created for losses where there is objective evidence that unidentified losses are present in the portfolio at the balance sheet date. These are estimated based on country risk ratings, the current economic conditions and the default pattern that are embedded in the components of the portfolio. Adjustments to the provision are recorded as a charge or addition to income. In determining the adequacy of the provision, the IsDB takes into account the net present value of expected future cash flows discounted at the financial instruments' implicit rate of return.

#### *Other Financial Assets*

An assessment is made at each financial position date to determine whether there is objective evidence that a financial asset or a group of financial assets may be impaired. The amount of the impairment losses

for financial assets carried at amortised cost is calculated as the difference between the asset's carrying amount and its estimated fair value. The carrying amount of the financial asset is reduced through the use of an allowance account. When a financial asset is not considered recoverable, it is written-off against the allowance account and any excess loss is recognised in the income statement. Subsequent recoveries of amounts previously written-off are credited to the income statement.

*Investments in Lease Participation Pools and Real Estate Funds*

Investments in lease participation pools and real estate funds are recorded initially at cost and are revalued periodically based on the valuation reports received from the pool managers. Provision is created when the IsDB identifies investments in specific lease participation pools as potentially impaired.

## **SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN THE FINANCIAL ACCOUNTING STANDARDS ISSUED BY AAOIFI AND IFRS**

The financial statements of the IsDB are prepared in accordance with Article 8.2 of the Financial Regulations of the IsDB and with the Financial Accounting Standards issued by the AAOIFI and the Shari'a rules and principles as determined by the IsDB Group Shariah Board. For matters which are not covered by AAOIFI standards, the IsDB uses the IFRS issued or adopted by the International Accounting Standards Board (the **IASB**) and the relevant interpretation issued by the International Financial Reporting Interpretations Committee (the **IFRIC**) of the IASB provided these do not contravene Shari'a rules. The financial statements are prepared under the historical cost convention except for the following items: (i) quoted equity investments are measured at fair value through equity, (ii) certain investments in sukuk are measured at fair value through income statement designated as such at the time of initial recognition, and (iii) profit rate and cross-currency profit rate swaps are measured at fair value through income statement.

The financial information included in this Base Prospectus and/or incorporated by reference has not been prepared in accordance with the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No1606/2002 and there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information.

The IsDB is audited in accordance with the auditing standards for Islamic Financial Institutions issued by AAOIFI and the International Standards on Auditing (**ISA**) adopted by the International Auditing and Assurance Standards Board. As of the date of this Base Prospectus there are six AAOIFI auditing standards. The AAOIFI auditing standard for which there is no analogous ISA auditing standard relates to testing for compliance with Shari'a rules and principles by external auditors (AAOIFI Auditing Standard No. 4). More specifically, AAOIFI Auditing Standard No. 4 requires an external auditor to obtain sufficient and appropriate audit evidence adequate to provide reasonable assurance that the relevant Islamic financial institution is in compliance with the rules and principles of Shari'a. While the ISA is more comprehensive than the AAOIFI auditing standards, and while AAOIFI Auditing Standard no. 4 is tailored to address Shari'a matters, there are no significant departures of the AAOIFI auditing standards from the ISA. AAOIFI auditing standards require the application of ISA in respect of matters not covered in detail by the AAOIFI auditing standards, provided such standards do not contravene Shari'a rules and principles.

The principal accounting differences between the AAOIFI and IASB accounting standards in so far as they apply to recognition and measurement principles, as applicable to the 2020 Financial Statements for the years ended 31 December 2020 and 2019 are listed below.

### *Loans*

The IsDB provides long term concessional loans to Member Countries. These loans bear a service fee rate sufficient to cover the IsDB's expenses related to the signature of an agreement and disbursements made to the Member Countries. Thus, the loan service fee is calculated during the financial periods starting from the signature date through to the date of the last disbursement. Under AAOIFI, loan (qard) amounts outstanding are recorded at amounts disbursed in respect of projects plus accrued service fees, less repayments received and provision for impairment.

Under IFRS such loans would have been discounted at the effective interest rate at the date of the transaction and loss on issuance of loans at rates below market would have been recorded in the IsDB's books.

## **Leasing transactions (Ijarah)**

With regard to their structure, the IsDB leases are recorded as operating leases.

Under AAOIFI, leased assets in the books of IsDB–OCR are recorded at original cost less accumulated depreciation less accumulated impairment, if any, up to the date of financial position and gestation period income is not recorded in the income statement. Instead, such income is added to the cost of the asset upon the transfer of such asset’s right to use and is amortised/recorded only during the repayment period.

Under IFRS, the leased assets are recorded at amounts disbursed less repayments and income is accrued since inception of the lease.

## **Impairment of project assets**

The IsDB makes specific impairment provisions as well as collective general provisions on sovereign exposures.

IAS 39 follows an incurred loss model (i.e. requiring only provisions to be recognised on incurred losses). However, under new IFRS 9 (applicable from 1 January 2018), an expected loss model has been introduced which groups exposures into three categories and requires both specific and expected impairment losses to be recognised in the entity’s books of accounts. FAS 30 was issued on 23 November 2017 by AAOIFI and became applicable from 1 January 2020 (although the implementation date was extended to 1 January 2021 under certain conditions) with earlier adoption being permitted. This standard introduces the concept of expected credit losses and, together with FAS 35, supersedes certain sections of FAS 25 and FAS 11.

## **Murabaha**

FAS 28 treats Murabaha as trade-based transactions and it is usually structured as a deferred payment transaction. FAS 28 requires the recording of sales and cost of sales and deferred payment disclosures. However, IFRS 9 primarily treats these types of transactions as debt-type in substance and applies the concept of recognising the money advanced to a customer as a loan at discounted payments.

## GENERAL DESCRIPTION OF THE PORTFOLIO

The Portfolio which is the subject of the Trust constituted for each Series of Trust Certificates shall be a portfolio of assets created by the IsDB which shall be separate and independent from all other assets of the IsDB and shall comprise:

- at least 51 per cent. tangible assets comprising of Leased Assets, Disbursing *Istisna'a* Assets, Shares, Sukuk and/or Restricted Mudaraba Assets; and
- no more than 49 per cent. intangible assets comprising of *Istisna'a* Receivables, Loan (Qard) Receivables, Commodity Murabaha (Tawarruq) Receivables and/or Murabaha Receivables,

including, without limitation, the right to receive payment of any amounts due in connection with such assets, the right to demand, sue for, recover, receive and give receipts for all amounts payable, or to become payable, under the assets and/or agreements relating to the assets and the benefit of, and the right to sue on, all covenants in favour of the IsDB and the right to exercise all powers of the IsDB thereunder. The Portfolio in respect of each Series shall be constituted by an Initial Portfolio (in respect of the first Tranche under a Series) and any Additional Portfolio (in respect of any additional Tranche issued under the same Series) and supplemented from time to time with Additional Portfolio Assets.

The Leased Assets comprise assets which are subject to *ijarah* contracts where the IsDB as lessor has leased existing property, or has agreed to lease property under construction, to a lessee in respect of which regular payments are or will become due from the lessee (and includes any ancillary rights under such *ijarah* contracts). The Disbursing *Istisna'a* Assets comprise *Istisna'a* assets in respect of which the IsDB is paying instalment amounts to a contractor (which are subsequently capitalised by the IsDB) during, but prior to the completion of, the construction of such assets and whilst legal title to such assets is vested in the IsDB. The Murabaha Receivables comprise receivables under sale contracts whereby the IsDB has sold assets to an obligor for a purchase price which is determined on a cost plus a predetermined profit basis and such purchase price is payable in instalments. The Commodity Murabaha (Tawarruq) Receivables comprise receivables derived from the placements of funds which are made by the IsDB with other banks and financial institutions and which comprise the purchase and sale of commodities at fixed or floating rate profit. The *Istisna'a* Receivables comprise receivables arising in respect of *Istisna'a* assets which are sold by the IsDB to a buyer who pays the purchase price in instalments. The Loan (Qard) Receivables comprise receivables under long term concessional facilities provided to Member Countries which bear a service fee payable to the IsDB. Restricted Mudaraba Assets comprise assets which are subject to Mudaraba contract under which the IsDB as a *Rab al Maal* provides capital under a line of financing facility to an intermediary as a *Mudarib* who then invests such capital based on prescribed investment criteria. Any Shares and Sukuk will be investments held directly by the IsDB prior to their sale to the Trustee.

The Portfolio in respect of each Series of Trust Certificates will be originated by the IsDB and represent (in the case of any underlying assets other than Shares or Sukuk) obligations of lessees and obligors in jurisdictions that are Member Countries. The IsDB will represent in the Master Purchase Agreement that the Portfolio transferred to the relevant Trustee in respect of each series of Trust Certificates will be Shari'a compliant assets.

An outline summary of the portfolio which will be purchased by the IsDB on the Issue Date of the relevant Tranche of Trust Certificates is set out in the Supplemental Purchase Agreement, as the case may be. The composition of the Portfolio of a Series may change over the life of each Series of Trust Certificates as the relevant Trustee may utilise principal collections from the relevant Portfolio to purchase rights in additional Leased Assets, Restricted Mudaraba Assets or Disbursing *Istisna'a* Assets or sub-participation interests on behalf of such Trustee in *Istisna'a* or Murabaha financing activities, or invest in Murabaha Receivables, Commodity Murabaha (Tawarruq) Receivables, Loan (Qard)

Receivables or Istisna'a Receivables or to purchase further Shares and/or Sukuk (which will then form part of the Portfolio of that relevant Series) in accordance with the terms of the Programme Documents.

The IsDB has given an undertaking to the relevant Trustee that it will sell additional Leased Assets, Restricted Mudaraba Assets, Disbursing Istisna'a Assets, Shares and Sukuk to the relevant Trustee so as to ensure that the proportion of the Portfolio of each Series of Trust Certificates represented by rights in Leased Assets, Restricted Mudaraba Assets, Disbursing Istisna'a Assets, Shares and/or Sukuk does not fall below 51 per cent. The IsDB's obligation to sell such additional assets is subject to the IsDB having such assets available on its balance sheet to sell to such Trustee. A failure by the IsDB to comply with any of its obligations expressed to be assumed by it in the Programme Documents constitutes a Dissolution Event.

**No investigation or enquiry will or has been made and no due diligence will or has been conducted by or on behalf of the Dealers, either of the Trustees or the Delegate in respect of any Portfolio or their transferability under relevant local law. Reference should be made to the paragraphs under "*Risk factors relating to the Portfolio*" in the section entitled "*Risk Factors*" above. In particular neither the IsDB, neither Trustee, the Delegate nor the Dealers make any representations as to whether there will be sufficient Trust Assets available on the Periodic Distribution Date or the Dissolution Date to enable the relevant Trustee to make a payment in full of the relevant Periodic Distribution Amount or Dissolution Amount.**

## SUMMARY OF THE PRINCIPAL PROGRAMME DOCUMENTS

*The following is a summary of certain provisions of the principal Programme Documents and is qualified in its entirety by reference to the detailed provisions of the principal Programme Documents. Copies of the Programme Documents will be available for inspection at the offices of the Principal Paying Agent (as defined in the Terms and Conditions).*

### **The Master Trust Deed, as supplemented by each Supplemental Trust Deed**

The Master Trust Deed was entered into on the Programme Date between the IsDB, the Trustees and the Delegate and is governed by English law. A Supplemental Trust Deed will be entered into on the date of the issue of the relevant Tranche of Trust Certificates between the IsDB, the relevant Trustee and the Delegate and will also be governed by English law.

Upon issue of the Global Trust Certificate initially representing the Trust Certificates of any Series, the Master Trust Deed and the relevant Supplemental Trust Deed together constitute the Trust declared by the Trustee in relation to such Series.

The Trust Assets in respect of each Series of Trust Certificates comprise (unless otherwise specified in the relevant Supplemental Trust Deed), *inter alia*, the Initial Trust Property, the relevant Trustee's rights, title, interest and benefit in and to the Portfolio, the relevant Trustee's rights, title, interest and benefit, present and future, in, to and under the Programme Documents and Transaction Documents to which it is a party (excluding any representations given to such Trustee by the IsDB pursuant to any of the Programme Documents or Transaction Documents), such Trustee's rights and interest in assets held by the IsDB on trust for such Trustee, as well as cash and certain eligible investments all as more fully set out in the Master Trust Deed and the relevant Supplemental Trust Deed(s).

The Trust Deed will specify that, on or after the relevant Dissolution Date of a Series of Trust Certificates, the rights of recourse in respect of Trust Certificates shall be limited to the amounts from time to time available and comprising the relevant Trust Assets of that Series, subject to the priority of payments set out in the Trust Deed, the relevant Trust Certificates and the Terms and Conditions. Each of the IsDB, the Delegate and the Certificateholders have no claim or recourse against the relevant Trustee in respect of any amount which is or remains unsatisfied and any unsatisfied amounts will be extinguished.

Pursuant to the Trust Deed, the relevant Trustee shall, *inter alia*:

- (a) hold the Trust Assets on trust absolutely for the Certificateholders as beneficiaries *pro rata* according to the face amount of Trust Certificates held by each Certificateholder;
- (b) act as trustee in respect of such Trust Assets, distribute the income from such Trust Assets and perform its duties in accordance with the provisions of the Master Trust Deed and, if applicable, the terms of the relevant Supplemental Trust Deed;
- (c) enforce the Trust Assets including, insofar as it is able, taking all reasonably necessary steps to enforce each of the Guarantee, the Purchase Undertaking Deed and the relevant IsDB Purchase Agreement, the Additional Portfolio Asset Sale Undertaking Deed and the Additional Portfolio Asset Sale Agreement if the IsDB shall have at any time failed to perform its obligations under it;
- (d) collect and invest the proceeds of the Trust Assets in accordance with the terms of the Master Trust Deed and, if applicable, the terms of the relevant Supplemental Trust Deed(s);
- (e) distribute the proceeds of any enforcement of the Trust Assets, as described in the Master Trust Deed and in the Master Wakala Agreement (see the section entitled "*Summary of the Principal*



*Programme Documents—Master Wakala Agreement, as supplemented by each Supplemental Wakala Agreement”);*

- (f) maintain proper books of account in respect of the relevant Trust and prepare reports in respect of the relevant Trust for the Certificateholders of the corresponding Series of Trust Certificates, the IsDB, the Wakeel and the Delegate as more particularly set out herein; and
- (g) take such other steps as are reasonably necessary to ensure that the Certificateholders of each Series receive the distributions to be made to them in accordance with the order of priority detailed in the Trust Deed (subject to the relevant Trust Certificates and the Terms and Conditions) and in the Wakala Agreement.

In the Trust Deed, the relevant Trustee will unconditionally and irrevocably appoint the Delegate to be its attorney and to exercise certain future duties, powers, authorities and discretions vested in such Trustee by certain provisions in the Trust Deed, as supplemented by the Supplemental Trust Deed(s).

In the Trust Deed, the Delegate will undertake that, *inter alia*:

- (a) it may or shall (subject to being indemnified and/or prefunded to its satisfaction) upon being directed to do so by the Certificateholders pursuant to the Trust Deed: (i) require the IsDB to perform its obligations under the Purchase Undertaking Deed and the Additional Portfolio Asset Sale Undertaking Deed; and (ii) make a claim under the Guarantee; and
- (b) following the occurrence of a Dissolution Event in respect of any Series and subject to Condition 14 (*Dissolution Events*), it shall (subject to being indemnified and/or secured to its satisfaction) take all such steps as are necessary to enforce the obligations of the IsDB under the Purchase Undertaking Deed, the relevant IsDB Purchase Agreement and any other Programme Document and Transaction Document to which the IsDB is a party.

In the Trust Deed, each relevant Trustee also undertakes that, *inter alia*:

- (a) it may or shall upon being directed to do so by the Delegate enforce the obligations of the IsDB under the Master Trust Deed, the Purchase Undertaking Deed and any other Programme Document or Transaction Document to which the IsDB is a party;
- (b) to the extent that it prepares accounts, it shall cause to be prepared and certified by the Auditors (as defined in the Master Trust Deed) in respect of each financial accounting period accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the Stock Exchange (as defined in the Master Trust Deed);
- (c) it shall procure that the Principal Paying Agent makes available for inspection by Certificateholders at its specified office copies of the Master Trust Deed and relevant Supplemental Trust Deed(s), the Agency Agreement and the other relevant Programme Documents and Transaction Documents, the then latest audited balance sheets and profit and loss accounts of itself (if any) and the IsDB and any Final Terms or Pricing Supplement, as the case may be, and Servicing Reports and/or Repurchase Reports relating to Trust Certificates admitted to listing, trading and/or quotation on any listing authority, stock exchange or quotation system; and
- (d) following the occurrence of a Dissolution Event in respect of any Series of Trust Certificates and subject to Condition 14 (*Dissolution Events*), it shall: (i) promptly notify the Delegate of the occurrence of such Dissolution Event, and (ii) take all such steps as are necessary to enforce the obligations of the IsDB under the Purchase Undertaking Deed, the relevant IsDB Purchase

Agreement and any other Programme Document or Transaction Document to which the IsDB is a party.

Each relevant Trustee acknowledges in the Master Trust Deed that the Delegate may in accordance with the terms of the Master Trust Deed convene meetings or obtain directions and instructions from Certificateholders.

The Delegate may (without the consent or sanction of the Certificateholders), agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Terms and Conditions or any of the provisions of the Master Trust Deed, the Guarantee or any other Programme Document or any Transaction Document or allow for any Dissolution Event not to be treated as such, if in the opinion of the Delegate, any such case is not materially prejudicial to the interests of the Certificateholders or it may agree to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest or proven error or to the extent provided in Condition 8.11 (*Benchmark Replacement*).

### *Indemnity*

The IsDB has also undertaken to each Trustee and the Delegate in the Master Trust Deed that, if any amount payable by the IsDB to a Trustee pursuant to the Guarantee, the Master Trust Deed, the Purchase Undertaking Deed or any other Programme Document or Transaction Document is not recoverable from the IsDB for any reason whatsoever (including, without limitation, by reason of any Trust Certificate, the Master Trust Deed, any Supplemental Trust Deed, any relevant IsDB Purchase Agreement or any provision thereof being or becoming void, unenforceable or otherwise invalid under any applicable law or any transfer of the Portfolio being ineffective or unenforceable) or a Trustee or any Certificateholder suffers any costs, expenses or loss (which must be evidenced to the IsDB by the production of receipts) as a direct result of its holding in the Portfolio, which cost, expense or loss is not recoverable under the Master Purchase Agreement, the relevant Supplemental Purchase Agreement(s) then, (notwithstanding that the same may have been known to such Trustee) the IsDB will, as a sole, original and independent obligor, forthwith upon demand by such Trustee or the Delegate, pay such sum by way of a full indemnity in the manner and currency as is provided for in such Trust Certificate or the Master Trust Deed, any Supplemental Trust Deed(s) or other Programme Documents or Transaction Documents (as the case may be) and indemnify such Trustee or the Delegate against all losses, claims, costs, charges and expenses to which it may be subject or which it may incur under or in respect of the Trust Certificates, the Master Trust Deed, the relevant Supplemental Trust Deed(s), the relevant IsDB Purchase Agreement or other Programme Documents or Transaction Documents. For the avoidance of doubt, the IsDB shall not be required to indemnify either of the Trustees for any consequential loss (being loss of business, goodwill, opportunity or profit) of any kind whatsoever.

### **The Master Purchase Agreement, as supplemented by each Supplemental Purchase Agreement**

The Master Purchase Agreement was entered into on the Programme Date between the IsDB and the Issuers, as supplemented and amended from time to time, and each Supplemental Purchase Agreement applicable to a Tranche of Trust Certificates, are, and will be, governed by English law.

### *Sale of Portfolio*

On the Closing Date of the relevant Tranche, the IsDB agrees to sell to the relevant Issuer the Initial Portfolio or Additional Portfolio, as the case may be, identified in a schedule to the relevant Supplemental Purchase Agreement. The Portfolio in respect of each Series shall be a portfolio of assets created by the IsDB which shall be separate and independent from all other assets of the IsDB.

To the extent that the transfer of the Initial Portfolio or Additional Portfolio (or any part thereof) is not effective in any jurisdiction for any reason, the IsDB has agreed to either replace the Portfolio Constituent Assets (as defined in the Master Purchase Agreement) with Additional Portfolio Assets (as defined in

the Master Purchase Agreement) of the same (or greater) net asset value, or account for all amounts received by it in respect of the Portfolio (or any part thereof) to the relevant Issuer. Further, the IsDB has in the Master Purchase Agreement undertaken to hold any constituent assets comprised in the Portfolio the title, interest in or benefit to which has not been transferred to the relevant Trustee on trust for such Trustee absolutely as the owner thereof or as such Trustee may direct.

#### *Purchase Price*

The purchase price payable for the Initial Portfolio or Additional Portfolio, as the case may be, of any relevant Tranche of Trust Certificates will be determined by the Supplemental Purchase Agreement and will be an aggregate amount representing the Net Asset Value (as defined in the Master Purchase Agreement) of the Initial Portfolio or Additional Portfolio, as the case may be, in respect of the relevant Tranche.

#### *Records*

All records in respect of the Portfolio sold to a Trustee will be retained by the IsDB.

#### *Representations and Warranties*

The IsDB will only provide very limited representations and warranties in respect of the Initial Portfolio or Additional Portfolio on the issue date of the relevant Tranche. These representations and warranties will be repeated on the date of each Settlement Date (as defined in the Master Purchase Agreement) and include, *inter alia*, representations that:

- (a) the IsDB has full power and authority to effect and has taken all necessary action to authorise the execution, delivery and performance by it of the Master Purchase Agreement and all other instruments and documents to be delivered by it under the Master Purchase Agreement and the transactions contemplated by Master Purchase Agreement;
- (b) the execution, delivery and performance by the IsDB of the Master Purchase Agreement and all other instruments and documents to be delivered by it pursuant to the Master Purchase Agreement and all transactions contemplated by the Master Purchase Agreement do not contravene (i) the IsDB's Articles of Agreement, (ii) any law, rule or regulation applicable to the IsDB or the Portfolio, (iii) any contractual restriction contained in any agreement, mortgage, bond, contract, undertaking or instrument binding on or affecting the IsDB or any of its properties or assets, or (iv) any order, writ, judgment, award, injunction or decree binding on or affecting the IsDB or any of its assets and do not result in or require the creation of any lien, security interest or other charge or encumbrance upon or with respect to any of its assets or undertaking;
- (c) all consents, authorisations, approvals, notices, licences, registrations or filings required for the due execution, delivery or performance by the IsDB of the Master Purchase Agreement or any other document to be delivered by the IsDB in connection with the Master Purchase Agreement or for the transactions contemplated by the Master Purchase Agreement have been obtained or effected and are in full force and effect;
- (d) all the information contained in the schedule to each Supplemental Purchase Agreement and in each Purchase Report delivered by the IsDB pursuant to the Master Purchase Agreement is true and accurate in all material respects;
- (e) the Initial Portfolio or Additional Portfolio, as the case may be, and each Additional Portfolio Asset will at all times prior to its sale to a Trustee be owned by the IsDB free and clear of any Adverse Claim (as defined in the Master Purchase Agreement) and upon the payment by such Trustee of the Purchase Price on the relevant Settlement Date and on the relevant Closing Date,

such Trustee will acquire full legal and beneficial title and ownership to and of the Initial Portfolio or Additional Portfolio, as the case may be, and each Additional Portfolio Asset free and clear of any Adverse Claim;

- (f) each constituent asset comprised in the Initial Portfolio or Additional Portfolio, as the case may be, to be transferred to a Trustee on the relevant Closing Date, and each Additional Portfolio Asset to be transferred to a Trustee on a Settlement Date, is an Eligible Portfolio Asset (as defined in the Master Purchase Agreement) as determined on the relevant Closing Date and, in the case of an Additional Portfolio Asset, the Settlement Date on which it is purchased; and
- (g) the IsDB has confirmed that any Initial Portfolio or Additional Portfolio, as the case may be, to be transferred to a Trustee on the relevant Closing Date, and any Additional Portfolio Assets to be transferred to a Trustee on a Settlement Date, comply in all material respects with Shari'a principles as laid down by the IsDB Group Shariah Board.

A breach of the representations and warranties contained in the Master Purchase Agreement by the IsDB will result in the IsDB being required to repurchase any underlying assets in the Portfolio which do not comply with such representations and warranties and the IsDB providing the relevant Trustee with (i) cash and/or (ii) the transfer of substitute underlying assets having a Net Asset Value (as defined in the Master Purchase Agreement) of not less than that of such ineligible assets.

#### *Undertakings of the IsDB*

The IsDB provides only very limited undertakings in the Master Purchase Agreement.

#### *Share Ancillary Rights*

Each relevant Trustee has undertaken in the Master Purchase Agreement to delegate to the IsDB as Wakeel the exercise of any and all Share Ancillary Rights (defined as any and all rights attaching to the Shares including the right to receive payments of dividends, including pre-emption rights, rights to participate in capital increases, consolidations and rights issues, as well as voting rights) in respect of Shares purchased by such Trustee on the relevant Closing Date or the relevant Settlement Date, as the case may be. To the extent that the transfer of any Shares to a Trustee is not effective, the IsDB has undertaken to hold such Shares on trust for such Trustee.

#### **Additional Portfolio Assets Sale Undertaking Deed**

The Additional Portfolio Assets Sale Undertaking Deed was executed by the IsDB in favour of the Trustees on the Programme Date and is governed by English law.

Pursuant to the Additional Portfolio Assets Sale Undertaking Deed, each relevant Trustee has been granted the right to require the IsDB to sell, in certain circumstances (as detailed below), to such Trustee on the relevant Settlement Date (as specified in the Additional Portfolio Assets Exercise Notice scheduled to the Additional Portfolio Assets Sale Undertaking Deed), at the relevant Purchase Price, the relevant Additional Portfolio Assets (as specified in the relevant Additional Portfolio Assets Exercise Notice).

The Purchase Price payable for the relevant Additional Portfolio Assets will be specified in the Additional Portfolio Assets Sale Agreement (scheduled to the Additional Portfolio Assets Sale Undertaking Deed) and will be an aggregate amount no greater than the relevant Revenue Generating Assets Make-Whole Amount (as defined in the Master Wakala Agreement) in respect of the relevant Series.

This right granted under the Additional Portfolio Assets Sale Undertaking Deed may only be exercised by the relevant Trustee if, and only to the extent that, the IsDB has relevant Additional Portfolio Assets on its balance sheet and at its disposal for sale to such Trustee (as specified in the relevant Purchase Report) and if:

- (a) in respect of the relevant Series, on the relevant Report Date prior to the relevant Settlement Date:
  - (i) the Tangibility of the Portfolio, as identified in the Servicing Report, is less than 51 per cent.; or
  - (ii) there is a Revenue Generating Assets Shortfall as set out in the relevant Servicing Report, by delivering an Additional Portfolio Assets Exercise Notice to the IsDB specifying the Settlement Date and details of the Additional Portfolio Assets to be purchased; and
- (b) the Additional Portfolio Assets specified in the relevant Additional Portfolio Assets Exercise Notice comprise of:
  - (i) in the event that the relevant Additional Portfolio Assets Exercise Notice is delivered pursuant to (a)(i) above, the rights, title, interest and benefit of the IsDB in, to and under, Leased Assets, Disbursing Istisna'a Assets, Shares, Sukuk and/or Restricted Mudaraba Assets (as, and only to the extent, specified in the relevant Purchase Report) the aggregate Net Asset Value of such Leased Assets, Disbursing Istisna'a Assets, Shares, Sukuk and/or Restricted Mudaraba Assets being no greater than the relevant Tangibility Make-Whole Amount (as defined in the Master Wakala Agreement); and
  - (ii) in the event that the relevant Additional Portfolio Assets Exercise Notice is delivered pursuant to (a)(ii) above, Additional Portfolio Assets (as, and only to the extent, specified in the relevant Purchase Report) the aggregate Net Asset Value of such Additional Portfolio Assets being no greater than the relevant Revenue Generating Assets Make-Whole Amount.

Following the exercise of this right, the relevant Trustee will pay the relevant Purchase Price to the IsDB and such Trustee and the IsDB will enter into an Additional Portfolio Assets Sale Agreement to effect the sale of the relevant Additional Portfolio Assets.

### **Master Wakala Agreement, as supplemented by each Supplemental Wakala Agreement**

The Master Wakala Agreement was entered into on the Programme Date between the IsDB, the Trustees and the Delegate, as supplemented and amended from time to time, and each Supplemental Wakala Agreement applicable to a Series of Trust Certificates, will be, and is governed by English law (the **Master Wakala Agreement**, together with each Supplemental Wakala Agreement being referred to as, the **Wakala Agreement**).

#### *Appointment of the IsDB as Wakeel*

Each Trustee has appointed the IsDB to act as its agent and wakeel (**Wakeel**) to perform limited actions in order to collect and service the Portfolio applicable to each Series of Trust Certificates issued by it. In particular, the Wakeel will prepare Servicing Reports (as defined below), hold records and apply collections in respect of the relevant Portfolio, and to carry out any incidental matters relating thereto.

#### *Standard of Care*

The Wakeel has agreed to exercise the same level of skill, care and attention in exercising its powers and performing its duties as it would exercise in servicing its own assets. In particularly the Wakeel has

agreed to (a) exercise at least the same standard of care in respect of the Portfolio of each Series of Trust Certificates as it exercises in respect of assets of a similar type and nature to any Portfolio of which it is and remains the legal and beneficial owner (apparent and real owner) and (b) in respect of the Portfolio of each Series of Trust Certificates, act in accordance with its usual collection procedures at all times.

#### *Delegation*

The Wakeel shall be entitled to delegate its obligations under the Master Wakala Agreement, as supplemented by the Supplemental Wakala Agreement, to any person approved by the relevant Trustee provided that the Wakeel shall remain primarily liable for the obligations incurred by it hereunder notwithstanding any such delegation.

#### *Fees*

The Wakeel shall be entitled to receive a fee for acting as Wakeel which will comprise a fixed basic fee of U.S.\$100 payable on the date of each Supplemental Wakala Agreement and an incentive fee calculated as the remaining amounts available from the application of profit collections as more particularly described in "*Application of Collections*" below. Any amounts collected by the Wakeel in relation to the Portfolio which are in excess of the Periodic Distribution Amounts payable by the relevant Trustee to the Certificateholders on the relevant Periodic Distribution Date, shall be retained by the Wakeel as an incentive fee for the performance of its services pursuant to the Wakala Agreement.

#### *Application of Collections*

For the period between each Calculation Date (each a **Collection Period**), the Wakeel will collect all amounts due in respect of the Portfolio of the relevant Series of Trust Certificates and identify such collections in a report (the **Servicing Report**). All collections in the nature of principal (the **Principal Collections**) will be deposited in a principal ledger account with the Wakeel. All collections in the nature of profit (the **Profit Collections**) will be deposited in a profit ledger account with the Wakeel. The Servicing Report will identify the amount of principal and profit collections. Subject to the terms of the Transaction Documents the Wakeel will be entitled to deal with any monies standing to the credit of the principal account or the profit account as if they were part of its own funds.

The Servicing Report will specify the amount by which the Aggregate Nominal Amount (as specified in the applicable Final Terms or Pricing Supplement, as the case may be) of the relevant Series and is less than the Net Asset Value (as defined in the Master Purchase Agreement) of the Portfolio corresponding to such Series (the **Revenue Generating Assets Shortfall**) and the total amount of Principal Collections to be applied to the acquisition of Additional Portfolio Assets in order to address any Revenue Generating Assets Shortfall (the **Revenue Generating Assets Make-Whole Amount**).

In respect of each Series of Trust Certificates and unless otherwise specified in the Wakala Agreement, on each Settlement Date, if (i) there is a Revenue Generating Assets Shortfall, the Wakeel will apply the Revenue Generating Assets Make-Whole Amount to pay the purchase price of any Additional Portfolio Assets purchased in accordance with the terms of the Additional Portfolio Assets Sale Undertaking, and (ii) if the Tangibility of the relevant Portfolio is less than 51 per cent., the Wakeel will apply the Tangibility Make-Whole Amount to pay the purchase price of any Additional Portfolio Assets purchased in accordance with the terms of the Additional Portfolio Assets Sale Undertaking.

In the event that the IsDB does not have sufficient Additional Portfolio Assets on its balance sheet and at its disposal for sale to the relevant Trustee in accordance with the terms of the Additional Portfolio Assets Sale Undertaking to reduce the Revenue Generating Assets Shortfall or to ensure that the tangibility of the relevant Portfolio is no less than 51 per cent., the Wakeel, if requested to do so by the relevant Trustee, shall use any remaining Revenue Generating Assets Make-Whole Amount to acquire

Shares and/or Sukuk in the open market in an amount required to reduce the Revenue Generating Assets Shortfall to zero.

In respect of each Series of Trust Certificates and unless otherwise specified in the Wakala Agreement, as the case may be, on each Settlement Date, the Wakeel will apply the relevant Profit Collections received in the immediately preceding Calculation Period to pay the following amounts on behalf of the Trustee in accordance with the following order of priority:

- (a) first, to the Delegate in respect of all amounts owing to it under the Programme Documents and Transaction Documents in its capacity as Delegate 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, *pro rata*, to pay an amount equal to any other sums payable by the relevant Trustee (other than to Certificateholders or as otherwise provided in items (c) and (d) (inclusive) below) including rating fees, listing fees, paying agent's fees and corporate administrator fees together with any stamp, issue, registration, documentary and other fees, duties and taxes, including compensation and penalties, payable on or in connection with (i) the execution and delivery of the Master Trust Deed, the relevant Supplemental Trust Deed, the relevant Series of Trust Certificates and the Terms and Conditions (ii) the constitution and original issue of the relevant Series of Trust Certificates and (iii) any action taken by or on behalf of the relevant Trustee or (where permitted by the Master Trust Deed, the relevant Supplemental Trust Deed, the Trust Certificates and the Terms and Conditions) any Certificateholder to enforce, or to resolve any doubt concerning, or for any other purpose in relation to, the Master Trust Deed, the relevant Supplemental Trust Deed(s), the Trust Certificates and the Terms and Conditions each of which such amounts shall have been properly incurred by the relevant Trustee and to pay any remuneration agreed with such Trustee pursuant to such arrangements as the Wakeel, the Delegate and such Trustee shall separately agree; and
- (c) third on any Settlement Date immediately preceding a Periodic Distribution Date, to pay to the Principal Paying Agent any Periodic Distribution Amounts due and payable on the immediately following Periodic Distribution Date.

Notwithstanding the above, in respect of each Series of Trust Certificates and unless otherwise specified in the Wakala Agreement, as the case may be, applicable to the relevant Series, on the Dissolution Date the Wakeel will apply (a) any Principal Collections (including any residual Revenue Generating Assets Make-Whole Amount) and (b) any Profit Collections in accordance with the priority of payments set out in the Master Trust Deed as reproduced in the Terms and Conditions.

#### *Representations and Warranties*

The Wakeel shall make certain limited representations and warranties including, *inter alia*, as to due incorporation, power and authority, its constitution and composition, its liquidity and solvency and the validity of its obligations.

#### *Termination of Appointment and IsDB Events*

Subject to finding a suitable replacement, the IsDB may resign as Wakeel, or be dismissed by the Trustees upon 30 days' notice to the other party provided that a successor has been duly appointed in its place.

The Wakeel's appointment can also be terminated in certain other circumstances but in particular, the Wakeel's appointment as Wakeel may be terminated without notice upon the occurrence of any of the following events (each an **IsDB Event**). However, the occurrence of an IsDB Event will also be a

Dissolution Event allowing the Delegate, at its option to declare (or shall declare upon written request of Certificateholders representing not less than one fifth in principal amount of the relevant Series of Trust Certificates for the time being outstanding) the Trust Certificates of the relevant Series to be immediately due and payable. The IsDB Events are as follows:

- (a) the IsDB fails to pay an amount under the Wakala Agreement, the Guarantee, the Purchase Undertaking Deed, any IsDB Purchase Agreement, any Sale Agreement or any other Transaction Document to which it is a party;
- (b) the IsDB fails to perform or observe any of its covenants and/or obligations or is in breach of any of its representations and warranties in each case under the Wakala Agreement or under any other Programme Document or Transaction Document to which it is a party and such failure or breach remains unremedied for 30 days after the Delegate has given written notice thereof to the IsDB;
- (c) the IsDB repudiates any Programme Document or Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate any Programme Document or Transaction Document to which it is a party;
- (d) at any time it is or will become unlawful or contrary to its Articles of Agreement for the IsDB to perform or comply with any or all of its obligations under the Programme Documents or Transaction Document or any of the obligations of the IsDB under the Programme Documents or Transaction Document are not or cease to be legal, valid, binding and enforceable;
- (e) the IsDB temporarily suspends or temporarily terminates its operations or intends to temporarily suspend or temporarily terminate its operations;
- (f) there occurs any distribution of the assets of the IsDB contrary to its Articles of Agreement;
- (g) the Board of Governors of the IsDB passes a resolution to terminate the operations of the IsDB;
- (h) an order is made or an effective resolution passed for winding up the IsDB (unless the order is made for the purpose of a reorganisation, whilst solvent, of the IsDB); or
- (i) the IsDB ceases to carry on its business or a substantial part of its business or stops payment of any amounts due to its creditors generally or becomes unable to pay its debts as they fall due or otherwise becomes insolvent (unless it does so for the purpose of a reorganisation, the terms of which have been approved in writing by the Trustees and where the IsDB demonstrates to the satisfaction of the Trustees that it is solvent).

## **Guarantee**

The Guarantee was executed by the IsDB in favour of the Trustees on the Programme Date and is governed by English law. In addition, on the relevant Closing Date of each Tranche, the IsDB will confirm in a certificate on each Closing Date that the guarantee, undertaking and indemnity set out in the Guarantee remains in full force and effect and shall extend to the Initial Portfolio or Additional Portfolio, as the case may be, in respect of that Tranche. Pursuant to the Guarantee, the Guarantor has irrevocably and unconditionally guaranteed to each relevant Trustee the punctual performance of any and all payment obligations arising or falling due under or in respect of each Portfolio Constituent Asset comprised in the Portfolio relating to the relevant Series of Trust Certificates issued by the relevant Trustee (including the obligations of lessees in respect of any Leased Assets, issuers and obligors in respect of any Sukuk, obligors under Disbursing Istisna'a Assets, obligors under Restricted Mudaraba Assets and debtors in respect of any Murabaha Receivables, Commodity Murabaha (Tawarruq) Receivables, Loan (Qard) Receivables and Istisna'a Receivables). Further, the Guarantor has agreed under the Guarantee that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal,



it will, as an independent and primary obligation, indemnify the relevant Trustee immediately on demand against any cost, loss or liability it incurs as a result of the principal debtor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under the Portfolio on the date when it would have been due. The Guarantor has also agreed that if, on a day falling three Business Days prior to a Periodic Distribution Date in respect of the relevant Series of Trust Certificates, there is a shortfall between the Periodic Distribution Amounts due on the immediately following Periodic Distribution Date and the Profit Collections (as defined in the Master Wakala Agreement) received in respect of the Portfolio Constituent Assets (as defined in the Master Trust Deed) comprised in the Portfolio relating to the such Series of Trust Certificates (whether due to the maturity of obligations, the early repayment of amounts due or a failure by any person to pay amounts that have become due and payable, in respect of such Portfolio Constituent Assets or for any other reason), such that the relevant Trustee would be unable to pay Periodic Distribution Amounts (including any additional amounts payable under Condition 12 (*Taxation*)) due to Certificateholders on such Periodic Distribution Date in full, the Guarantor shall immediately pay to the relevant Trustee the amount of such shortfall in the manner and currency prescribed by the Conditions for payment by such Trustee in respect of Trust Certificates. It is expected that the amounts received by such Trustee pursuant to the Guarantee will be sufficient to allow it to make timely payment of Periodic Distribution Amounts due to Certificateholders under the Trust Certificates (including any additional amounts required to be paid in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*)).

The relevant Trustee has agreed pursuant to the Programme Documents that only such amounts as are equal to the profit due in respect of the relevant Series of Trust Certificates (including any additional amounts required to be paid in respect of the Trust Certificates pursuant to Condition 12 (*Taxation*)) shall be paid to such Trustee pursuant to the Guarantee, with the remainder being retained by the IsDB as an incentive fee in respect of its role as Wakeel under the Programme.

For the avoidance of doubt, the obligations guaranteed by the Guarantor pursuant to the Guarantee in respect of the assets comprised in the Portfolio relating to the relevant Series of Trust Certificates are solely those payment obligations which fall due under or in connection with such assets on and from the Issue Date of the relevant Tranche(s) of Trust Certificates to and including the Dissolution Date of the relevant Series of Trust Certificates (save that, where amounts continue to be payable on any Trust Certificate pursuant to Condition 7.6 (*Fixed Periodic Distribution Amount Provisions – Cessation of Profit Entitlement*) or Condition 8.5 (*Floating Periodic Distribution Amount Provisions – Cessation of Profit Entitlement*)), the obligations of the Guarantor pursuant to the Guarantee shall continue in full force and effect in respect of any obligations arising or falling due under or in respect of each Portfolio Constituent Asset comprised in the Portfolio relating to the relevant Series of Trust Certificates following such Dissolution Date and until all amounts in the form of profit due to Certificateholders of that Series have been paid to such Certificateholders in full.

### **Purchase Undertaking Deed**

The Purchase Undertaking Deed was executed by the IsDB in favour of the Trustees on the Programme Date and is governed by English law.

The IsDB shall be irrevocably and unconditionally obliged in favour of the relevant Trustee and the Delegate to purchase all of the relevant Trustee's rights, benefits and entitlements in and to the Portfolio for each Series on the relevant Maturity Date of the relevant Series or prior thereto following the occurrence of a Dissolution Event (in each case, if applicable).

The purchase price payable to the relevant Trustee shall be equal to (a) the Aggregate Nominal Amount (as specified in the applicable Final Terms or Pricing Supplement(s), as the case may be) of the relevant Series, plus (b) the amount of any accrued but unpaid Periodic Distribution Amounts. Payments of the purchase price are required to be made in the Specified Currency of the relevant Series (a) in accordance

with the instructions of the IsDB as Wakeel acting pursuant to the Wakala Agreement or (b) if no such instructions are received within a reasonable time, to the account specified by the Principal Paying Agent.

IsDB will undertake that to the extent that the sale of any Portfolio Constituent Asset (a **Relevant Asset**) by the IsDB to a Trustee is not effective in any jurisdiction for any reason, and as a result such Trustee or, as the case may be, the Delegate, is unable to realise in full or does not actually receive in full, the relevant Exercise Price which is expressed to be due and payable under this Deed at the relevant time, IsDB hereby agrees (without double counting) to (a) make payment of an amount equal to the purchase price paid by such Trustee for the Relevant Asset by way of restitution to such Trustee immediately upon request; and (b) indemnify fully such Trustee for any shortfall between the amount received by such Trustee and the amount required for the purpose of redemption in full of the outstanding Trust Certificates of the relevant Series.

The IsDB has agreed in the Purchase Undertaking Deed that all payments by it under the Purchase Undertaking Deed will be made without any deduction or withholding for or on account of tax unless required by law and without set-off or counterclaim and, in the event that there is any deduction, withholding, set off or counterclaim, the IsDB shall pay all additional amounts as will result in the receipt by the relevant Trustee of such net amounts as would have been received by it if no withholding, deduction, set-off or counterclaim had been made.

The specific terms applicable to each such sale will be confirmed in a IsDB Purchase Agreement, to be executed by the relevant Trustee and the IsDB on the relevant Dissolution Date of the relevant Series of Trust Certificates. The form of each such IsDB Purchase Agreement is appended to the Purchase Undertaking Deed.

### **Sale Undertaking Deed**

The Sale Undertaking Deed was executed by the Trustees in favour of the IsDB on the Programme Date and is governed by English law.

Pursuant to the Sale Undertaking Deed, subject to the relevant Trustee being entitled to redeem the Trust Certificates pursuant to Condition 11.2 (*Early Dissolution for Tax Reasons*) or, if specified in the applicable Final Terms or Pricing Supplement, as the case may be, Condition 11.3 (*Dissolution at the Option of the Trustee*) being applicable to the relevant Series of Trust Certificates, the IsDB may, by exercising its option under the Sale Undertaking Deed and serving notice on the relevant Trustee specifying the relevant Dissolution Date, which must not be less than 30 nor more than 60 days after the date on which the notice is given and (if the Floating Periodic Distributions Amounts are specified as being in the Final Terms or Pricing Supplement(s), as the case may be as being applicable) must also be a Periodic Distribution Date, oblige the relevant Trustee to sell all of its rights, benefits and entitlements in and to the Portfolio to the IsDB on the relevant Dissolution Date.

The purchase price payable by the IsDB will be an amount equal to (a) the Aggregate Nominal Amount (as specified in the applicable Final Terms or Pricing Supplement(s), as the case may be) of the relevant Series, plus (b) the amount of any accrued but unpaid Periodic Distribution Amounts. Payments of the purchase price are required to be made in the Specified Currency of the relevant Series (a) in accordance with the instructions of the IsDB as Wakeel acting pursuant to the Master Wakala Agreement and the relevant Supplemental Wakala Agreement or (b) if no such instructions are received within a reasonable time, to the account specified by the Principal Paying Agent.

The IsDB has agreed in the Sale Undertaking Deed that all payments by it under the Sale Undertaking Deed will be made without any deduction or withholding for or on account of tax unless required by law and without set-off or counterclaim and, in the event that there is any deduction, withholding, set off or counterclaim, the IsDB shall pay all additional amounts as will result in the receipt by the relevant

Trustee of such net amounts as would have been received by it if no withholding, deduction, set-off or counterclaim had been made.

### **Representations of no Immunity**

In each of the Transaction Documents and the Programme Documents to which the IsDB and the Delegate are parties, the IsDB has represented and warranted that it has entered into each of such Programme Documents in connection with the exercise of its powers to raise money. Accordingly, the IsDB has, in each of those Programme Documents, acknowledged and agreed that it is not entitled to claim for itself or any of its assets immunity from legal process in actions taken in relation to any Programme Document and brought against the IsDB in a court of competent jurisdiction by the relevant Trustee(s) and/or the Delegate irrespective of the identity of the holders of beneficial interests in the Trust Certificates.

### **Shari'a Compliance**

Each Programme Document and Transaction Document will provide that each of IDB Trust Services Limited, IsDB Trust Services No.2 SARL and the Islamic Development Bank (to the extent each is a party to the relevant document), that it has accepted the Shari'a compliant nature of the Conditions, each Programme Document and 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 Conditions, the Programme Documents and the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires* or not compliant with the principles of Shari'a; (b) it shall not take any steps or bring any proceedings in any forum to challenge the Shari'a compliance of the Conditions, the Programme Documents or the Transaction Documents to which it is a party; and (c) none of its obligations under the Conditions, the Programme Documents or 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 Conditions, the Programme Documents or the Transaction Documents to which it is a party are not compliant with the principles of Shari'a.

Furthermore, the parties to the Programme Documents acknowledge and agree that, notwithstanding any other provisions of a Programme Document, the principle of payment of interest is repugnant to the principles of Shari'a and to the extent that any law or provision would impose (whether by contract or statute) an obligation to pay interest to the other party in relation to a Programme Document, each party hereto waives and rejects the entitlement to recover interest from another party.

## TAXATION

**THE FOLLOWING IS A GENERAL DESCRIPTION OF CERTAIN TAX CONSIDERATIONS RELATING TO THE TRUST CERTIFICATES. IT DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS RELATING TO THE TRUST CERTIFICATES. PROSPECTIVE PURCHASERS OF TRUST CERTIFICATES SHOULD CONSULT THEIR TAX ADVISERS AS TO THE CONSEQUENCES UNDER THE TAX LAWS OF THE COUNTRY OF WHICH THEY ARE RESIDENT FOR TAX PURPOSES OF ACQUIRING, HOLDING AND DISPOSING OF TRUST CERTIFICATES AND RECEIVING PAYMENTS OF PROFIT, PRINCIPAL AND/OR OTHER AMOUNTS UNDER THE TRUST CERTIFICATES. THIS SUMMARY IS BASED UPON THE LAW AS IN EFFECT ON THE DATE OF THIS BASE PROSPECTUS AND IS SUBJECT TO ANY CHANGE IN LAW THAT MAY TAKE EFFECT AFTER SUCH DATE.**

### **The Proposed Financial Transactions Tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced, apply to certain dealings in Certificates (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including: (a) by transacting with a person established in a participating Member State; or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Certificates are advised to seek their own professional advice in relation to the FTT.

### **FATCA**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Trust Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Trust Certificates, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Trust Certificates, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and Trust Certificates characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date

on which final regulations defining "foreign passthru payments" are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date.

Certificateholders should consult their own tax advisors regarding how these rules may apply to their investment in the Trust Certificates. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Trust Certificates, no person will be required to pay additional amounts as a result of the withholding.

## **JERSEY TAXATION**

*The following summary of the anticipated tax treatment in Jersey in relation to the payments on the Trust Certificates is based on the taxation law and practice in force at the date of this document, and does not constitute legal or tax advice and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Trust Certificates and the receipt of interest and distributions (whether or not on a winding-up) with respect to such Trust Certificates under the laws of the jurisdictions in which they may be liable to taxation.*

### **Jersey**

The Income Tax (Jersey) Law 1961, as amended (the **Law**) provides that the general basic rate of income tax on the profits of companies regarded as resident in Jersey or having a permanent establishment in Jersey, is zero per cent. (**zero tax rating**) and that only a limited number of financial services companies which are regulated by the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998, are subject to income tax at a rate of 10 per cent. For so long as IDB Trust Services Limited holds a "zero tax rating", payments in respect of the Trust Certificates issued by it will not be subject to any taxation in Jersey and no withholding in respect of Jersey taxation will be required on payments to any holder of such Trust Certificates.

Under current Jersey law, there are no capital gains, capital transfer, gift, wealth or inheritance taxes or any death or estate duties. No stamp duty is levied in Jersey on the issue or transfer of Trust Certificates. On the death of an individual sole Certificateholder (whether or not such individual was resident in Jersey), duty at rates of up to 0.75 per cent. of the value of the relevant Trust Certificates may be payable on the registration of Jersey probate or letters of administration.

### **Goods and Services Tax (GST)**

Pursuant to the Goods and Services Tax (Jersey) Law 2007 (the **2007 Law**), tax at a rate which is currently five per cent. applies to the supply of retail goods and services unless the relevant supplier or recipient of such goods and services is registered as an "*international services entity*".

IDB Trust Services Limited is an "international services entity" within the meaning of the 2007 Law, having satisfied the requirements of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008, as amended (the **ISE Regulations**) and, as long as it continues to be such an entity, a supply of goods or of a service made by or to IDB Trust Services Limited shall not be a taxable supply for the purposes of the 2007 Law.

## **LUXEMBOURG TAXATION**

*The following information is based on the laws, regulations, decisions and practice currently in force in Luxembourg and is subject to changes therein, possibly with retrospective effect. This tax section is a short summary of certain Luxembourg tax aspects that may be or may become relevant with respect to*

*the Trust Certificates as in effect and as applied by the relevant tax authorities as at the date of this Base Prospectus and is subject to changes in law and/or interpretation hereof. It does not purport to be a comprehensive discussion of the tax treatment of the Trust Certificates that may be relevant to make a decision to purchase, own or dispose of the Trust Certificates.*

*The following information is not intended to be legal or tax advice. Prospective investors should consult their own professional advisors on the implications of making an investment in, holding or disposing of Trust Certificates and the receipt of interest with respect to such Trust Certificates under the laws of the countries in which they may be liable to taxation. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Luxembourg.*

The residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in this section to a tax, duty, levy, impost or other charge or withholding tax of a similar nature refers to Luxembourg tax law and/or concepts only. Certificateholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) as well as the solidarity surcharge (*contribution au fonds pour l'emploi*) invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax (*impôt sur le revenu*) and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

### **Withholding Tax**

Under Luxembourg tax law currently in effect and with the possible exception of profit<sup>10</sup> paid to Luxembourg resident individual holders of the Trust Certificates, there is no Luxembourg withholding tax on payments of profit or equivalent return (including accrued but unpaid profit or return) or upon payment of principal in case of redemption or repurchase of the Trust Certificates.

#### (a) Non-resident holders of Trust Certificates

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or profit or equivalent return made to non-resident holders of Trust Certificates, nor on accrued but unpaid profit or return in respect of the Trust Certificates, nor is any Luxembourg withholding tax payable upon redemption, repurchase or exchange of the Trust Certificates held by non-resident holders.

#### (b) Resident holders of Trust Certificates

Under Luxembourg general tax laws currently in force and subject to the Luxembourg law of 23 December 2005, as amended (the **Relibi Law**), there is no withholding tax on payments of principal, premium or profit or equivalent return made to Luxembourg resident holders of Trust Certificates, nor on accrued but unpaid profit or equivalent return in respect of the Trust Certificates, nor is any Luxembourg withholding tax payable upon redemption, repurchase or exchange of the Trust Certificates held by resident holders.

Under the Relibi Law, payments of interest or equivalent return (which would include profit) made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner (a natural

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<sup>10</sup> Circular L.G.-A no. 55 issued by the Luxembourg tax authorities on 12 January 2010 provides that, for Luxembourg tax purposes, sukuk must be treated as conventional debt instruments and the remuneration under sukuk must be treated as interest. The afore-mentioned Circular Letter furthermore confirms that the return of the sukuk, even if linked to or contingent on underlying assets shall not be subject to certain rules that impose withholding tax on certain types of profit sharing or profit linked interest or equivalent return.

person) who is a resident of Luxembourg will be subject to a withholding tax of currently 20 per cent.. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of profit under the Trust Certificates coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of currently 20 per cent.

## **Income Taxation**

### (a) Non-resident holders of Trust Certificates

Non-resident holders of Trust Certificates, not having a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Trust Certificates or income thereon are attributable, are not subject to Luxembourg income taxes on profit accrued or received, redemption premiums or issue discounts, under the Trust Certificates nor on capital gains realised on the sale, exchange or disposal of the Trust Certificates. Non-resident corporate or individual holders acting in the course of the management of a professional or business undertaking, who have a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which or to whom such Trust Certificates are attributable, are subject to Luxembourg income tax (and where applicable municipal business tax) on profit accrued or received, redemption premiums or issue discounts, under the Trust Certificates and on any gains realised upon the sale, exchange or disposal of the Trust Certificates.

### (b) Resident holders of Trust Certificates

#### (i) Resident individual holders of Trust Certificates

Resident individual holders of Trust Certificates, acting in the course of the management of his/her private wealth, are subject to Luxembourg income tax at progressive rates in respect of profit or equivalent income received, redemption premiums or issue discounts, under the Trust Certificates, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Trust Certificates has opted for the application of a currently 20 per cent. tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of profit or equivalent income has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State).

A gain realised by resident individual holders of Trust Certificates, acting in the course of the management of his/her private wealth, upon the sale, exchange or disposal, in any form whatsoever, of Trust Certificates is not subject to Luxembourg income tax, provided this sale, exchange or disposal took place more than six months after the Trust Certificates were acquired. However, any portion of such gain corresponding to accrued but unpaid profit is subject to Luxembourg income tax, except if tax has been levied on such profit in accordance with the Relibi Law.

Resident individual holders of Trust Certificates, acting in the course of the management of a professional or business undertaking must include profit or similar income received, redemption premiums or issue discounts, under the Trust Certificates, as well as any gain realised upon the sale, exchange or disposal, in any form whatsoever, of Trust Certificates, in their taxable basis, which will be subject to Luxembourg income tax at progressive rates. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

#### (ii) Resident corporate holders of Trust Certificates

Resident corporate holders of Trust Certificates must include any profit or similar income received, redemption premiums or issue discounts, under the Trust Certificates, as well as any gain realised upon the sale, exchange or disposal, in any form whatsoever, of the Trust Certificates, in their taxable income for Luxembourg income tax assessment purposes.

Corporate holders of Trust Certificates that are governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, as amended, or the law of 13 February 2007 on specialised investment funds, as amended, or by the law of 23 July 2016 on reserved alternative investment funds, as amended, and which do not fall under the special tax regime set out in article 48 thereof, are neither subject to Luxembourg income tax (or where applicable municipal business tax) in respect of profit or equivalent income earned, redemption premiums or issue discounts, under the Trust Certificates, nor on any gain realised upon the sale, exchange or disposal, in any form whatsoever, of the Trust Certificates.

### **Net wealth taxation**

Resident corporate holders of Trust Certificates as well as non-resident corporate holders of Trust Certificates which maintain a permanent establishment, fixed place of business or a permanent representative in Luxembourg to which such Trust Certificates or income thereon are attributable, are subject to Luxembourg net wealth tax on such Trust Certificates, except if the holders of Trust Certificates are a family estate management company introduced by the law of 11 May 2007 on family estate management companies, as amended, an undertaking for collective investment governed by the law of 17 December 2010 on undertakings for collective investment, as amended, a securitisation vehicle governed by and compliant with the law of 22 March 2004 on securitisation, as amended, a capital company governed by and compliant with the law of 15 June 2004 on venture capital vehicles, as amended, a specialised investment fund governed by the law of 13 February 2007 on specialised investment funds, as amended, or a reserved alternative investment fund governed by the law of 23 July 2016 on reserved alternative investment funds, as amended.

Certificateholders should note however that securitisation companies governed by the law of 22 March 2004 on securitisation, as amended, capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, and reserved alternative investment funds governed by the law of 23 July 2016 and which fall under the special tax regime set out under article 48 thereof may, under certain conditions, be subject to minimum net wealth tax.

Non-resident corporate holders of Trust Certificates, not having a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Trust Certificates or income thereon are attributable, as well as individual holders of Trust Certificates, whether he/she is resident of Luxembourg or not, are not subject to Luxembourg net wealth tax on such Trust Certificates.

### **Residence**

A Certificateholder will not become resident, or deemed to be resident, in Luxembourg for tax purposes by reason only of holding the Trust Certificates.

### **Stamp or similar duties and taxes**

Neither the issuance nor the transfer of the Trust Certificates will give rise to any Luxembourg stamp duty; value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties.

However, a fixed or *ad valorem* registration duty may be due upon the registration of the Trust Certificates in Luxembourg in the case where the Trust Certificates are physically attached to a public deed or to any other document subject to mandatory registration, as well as in the case of a registration of the Trust Certificates on a voluntary basis.



## **Inheritance and gift taxes**

No inheritance tax is levied on the transfer of the Trust Certificates upon death of an investor in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. Where the Certificateholder is a resident of Luxembourg for tax purposes at the time of his/her death, the Trust Certificates may be included in his/her taxable estate for inheritance tax purposes.

Gift tax may be due on a gift or a donation of the Trust Certificates if passed before a Luxembourg notary or recorded in a deed registered in Luxembourg.

## **CANADA TAXATION**

No representation or warranty is made as to the tax consequence to a Canadian resident of an investment in the Trust Certificates. Canadian residents are advised that an investment in the Trust Certificates may give rise to particular tax consequences affecting them. Accordingly, Canadian residents are strongly encouraged to consult with their tax advisers prior to making any investment in the Trust Certificates.

## **ROC TAXATION**

*This is applicable in the event that the Trust Certificates are listed on the Taipei Exchange of the ROC. The following summary of certain taxation provisions under ROC law is based on current law and practice and on the assumption that the Trust Certificates will be issued, offered, sold and re-sold only to professional investors as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the ROC. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Trust Certificates.*

### **Periodic Distribution Amount on the Trust Certificates**

As each Issuer of the Trust Certificates is not an ROC statutory tax withholder, there is no ROC withholding tax on the periodic distribution amount to be paid by an Issuer on the Trust Certificates.

Payments of any Periodic Distribution Amounts under the Trust Certificates to an ROC individual holder are not subject to ROC income tax as such payments received by him/her are not considered to be ROC sourced income. However, such holder must include the interests or deemed interests in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax (**AMT**), unless the sum of the Periodic Distribution Amounts and other non-ROC sourced income received by such Certificateholder and the person(s) who is (are) required to jointly file the tax return in a calendar year is below NT\$1,000,000. If the amount of the AMT calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act) exceeds the annual income tax calculated pursuant to the ROC Income Tax Act, the excess becomes such Certificateholder's AMT payable.

ROC corporate Certificateholders must include any Periodic Distribution Amounts receivable under the Trust Certificates as part of their taxable income and pay income tax at a flat rate of 20 per cent. (however, ROC corporate Certificateholders with less than NT\$120,000 of taxable income in a fiscal year are exempt from corporate income tax, and those with less than NT\$500,000 of taxable income in 2019 are subject to corporate income tax at a rate of 19 percent), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable to such Certificateholders.

### **Sale of the Trust Certificates**

In general, the sale of corporate bonds or financial bonds is subject to 0.1 per cent. securities transaction tax (**STT**) on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of corporate bonds or financial bonds will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of corporate bonds or financial bonds will be subject to STT at 0.1 per cent. of the transaction price, unless

otherwise provided by the tax laws that may be in force at that time. Currently, as the tax authority of the ROC has not issued any ruling regarding the exemption of the STT to be levied on the sale of Trust Certificates, it is not clear whether the same STT exemption rule applicable to the sale of corporate bonds and financial bonds will apply to the sale of the Trust Certificates.

Capital gains generated from the sale of bonds are exempt from income tax under Article 4-1 of the ROC Income Tax Act. Accordingly, ROC individual or corporate Certificateholders are not subject to income tax on any capital gains generated from the sale of the Trust Certificates. In addition, ROC individual Certificateholders are not subject to AMT on any capital gains generated from the sale of the Trust Certificates. However, ROC corporate Certificateholders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the AMT Act, the excess becomes the ROC corporate Certificateholders' AMT payable. Capital losses, if any, incurred by such Certificateholders could be carried over 5 years to offset against capital gains of same category of income for the purposes of calculating their AMT.

## SUBSCRIPTION AND SALE

Trust Certificates may be sold from time to time by an Issuer to any one or more of CIMB Bank Berhad, Labuan Offshore Branch, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, First Abu Dhabi Bank PJSC, J.P. Morgan Securities plc, Natixis, Société Générale, Standard Chartered Bank or to any dealer appointed by an Issuer (with the prior consent of the IsDB) for the purposes of a particular issue of Trust Certificates only (together, the **Dealers**). The arrangements under which Trust Certificates may from time to time be agreed to be sold by an Issuer to, and purchased by, Dealers are set out in an amended and restated dealer agreement dated 19 April 2022, as amended, restated and/or supplemented from time to time (the **Dealer Agreement**) and made between the Issuers, the IsDB and the Dealers, as supplemented by a subscription agreement in relation to the relevant Series of Trust Certificates. Any such agreements together, will, *inter alia*, make provision for the form and terms and conditions of the relevant Trust Certificates, the price at which such Trust Certificates will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such purchase. 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 Series of Trust Certificates.

### United States

The Trust Certificates have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, that it has offered or sold the Trust Certificates, and will offer or sell any Trust Certificates (a) as part of their distribution at any time, and (b) otherwise until 40 days after the completion of the distribution of all Trust Certificates of the Tranche of which such Trust Certificates are a part, only in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that: neither it nor any of its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to the Trust Certificates; and it and its affiliates have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act.

Each Dealer has undertaken, and each further Dealer appointed under the Programme will be required to undertake, that, at or prior to confirmation of sale, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases Trust Certificates from it during the distribution compliance period a confirmation or notice in substantially the following form:

"The securities covered hereby have not been registered under the United States Securities Act of 1933 (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later the completion of distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Arranger, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, until 40 days after the commencement of the offering, an offer or sale of Trust Certificates within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or a transaction not subject to, the registration requirements of 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, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any direct selling efforts with respect to any Trust Certificates and it and they have complied and will comply with the offering restrictions required of Regulation S.

### **Prohibition of Sales to EEA Retail Investors**

Unless the Final Terms (or Pricing Supplement, as the case may be) in respect of any Trust Certificates specifies the "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 Trust Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms (or the applicable Pricing Supplement, as the case may be) in relation thereto to any retail investor in the EEA. 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 MiFID II; or
  - (ii) a customer within the meaning of Directive (EU) 2016/97, 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 (the **Prospectus Regulation**); and
- (b) the expression **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Trust Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Trust Certificates.

If the Final Terms (or Pricing Supplement, as the case may be) in respect of any Trust Certificates specifies the "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, in relation to each Member State of the EEA (each a **Relevant State**), it has not made and will not make an offer of Trust Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms (or the applicable Pricing Supplement, as the case may be) in relation thereto to the public in that Relevant State, except that it may make an offer of such Trust Certificates to the public in that Relevant 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 Issuer and/or the IsDB (if applicable) 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 Trust Certificates referred to in (A) to (C) above shall require the Issuer, the IsDB 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 Trust Certificates to the public** in relation to any Trust 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 Trust Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Trust Certificates.

## United Kingdom

### *Prohibition of sales to UK Retail Investors*

Unless the Final Terms (or Pricing Supplement, as the case may be) in respect of any Trust 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 Trust Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) 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 Trust Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Trust Certificates.

If the Final Terms (or Pricing Supplement, as the case may be) in respect of any Trust 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 Trust Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the the applicable Final Terms (or the applicable Pricing Supplement, as the case may be) in relation thereto to the public in the United Kingdom except that it may make an offer of such Trust 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 Issuer 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 Trust Certificates referred to in (A) to (C) above shall require the Issuer 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 Trust Certificates to the public** in relation to any Trust Certificates means the communication in any form and by any means of sufficient information on the terms of the offer and the Trust Certificates to be offered so as to enable an investor

to decide to purchase or subscribe for the Trust 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 Trust 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 Trust 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 Trust Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (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 Trust Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer and the IsDB; 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 Trust Certificates in, from or otherwise involving the United Kingdom.

#### **United Arab Emirates (excluding 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 Trust 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.

#### **DIFC**

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 Trust 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 Market 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 Dubai Financial Services Authority Conduct of Business Module of the DFSA rulebook.

#### **Kingdom of Saudi Arabia**

No action has been or will be taken in the KSA that would permit a public offering of any Trust Certificates. Any investor in the KSA or who is a Saudi person (a **Saudi Investor**) who acquires any

Trust Certificates pursuant to an offering should note that the offer of Trust Certificates is a private placement under Article 8 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority resolution number 3-123-2017 dated 27 December 2017, as amended by the Board of the Capital Market Authority resolution number 5-5-2022 dated 5 January 2022 (the **KSA Regulations**), made through a person authorised by the Capital Market Authority (**CMA**) to carry on the securities activity of arranging and following a notification to the CMA under the KSA Regulations.

The Trust Certificates may thus not be advertised, offered or sold to any person in the KSA 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 Trust Certificates by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Certificates shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

## **Jersey**

The Trust Certificates may only be issued or allotted exclusively to:

- (a) a person whose ordinary activities involve him in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of his business or who it is reasonable to expect will acquire, hold, arrange or dispose of investments (as principal or agent) for the purposes of his business; or
- (b) a person who has received and acknowledged a warning to the effect that (a) the Trust Certificates are only suitable for acquisition by a person who (i) has a significantly substantial asset base such as would enable him to sustain any loss that might be incurred as a result of acquiring the Trust Certificates; and (ii) is a sophisticated investor who understands the risks involved in acquiring such an investment.

Neither the issue of the Trust Certificates nor the activities of any functionary with regard to the issue of the Trust Certificates are subject to all the provisions of the Financial Services (Jersey) Law 1998.

Each person who acquires Trust Certificates will be deemed, by such acquisition, to have represented that he or it is one of the foregoing persons.

## **Luxembourg**

The Trust Certificates have not been and will not be offered to the public, within the meaning of Article 2(d) of the Prospectus Regulation, in or from Luxembourg 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 the Trust Certificates or cause the offering of the Trust Certificates or contribute to the offering of the Trust Certificates to the public in or from Luxembourg, unless:

- a prospectus has been duly approved by the Luxembourg financial supervisory authority, the *Commission de Surveillance du Secteur Financier* (the *CSSF*), in accordance with the Prospectus Regulation and the Luxembourg Act dated 16 July 2019 on prospectuses for securities (the *Prospectus Act*); or

- if Luxembourg is the relevant Issuer's host Member State within the meaning of Article 2(n)(ii) of the Prospectus Regulation, the CSSF has been notified by the home Member State's competent authority that the latter has duly approved the prospectus in accordance with the Prospectus Regulation; or
- the offer is made to a qualified investor within the meaning of Article 2(e) of the Prospectus Regulation; or
- the offer benefits from any other exemption from, or constitutes a transaction otherwise not subject to, the requirement to publish a prospectus pursuant to the Prospectus Regulation or the Prospectus Act.

The CSSF has not and will not review, approve or register the Base Prospectus under the Prospectus Regulation or the Prospectus Act.

The Trust Certificates are not and will not be listed or otherwise admitted to trading, under the Prospectus Regulation or the Prospectus Act, on any Luxembourg stock exchange or on any other regulated or unregulated market in Luxembourg.

### **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 Trust Certificates other than (a) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (b) 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 (c) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32); and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Trust Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Trust 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.

### **Singapore**

This Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Trust Certificates or caused the Trust Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Trust Certificates or cause the Trust Certificates to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Trust Certificates, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A), and



in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Trust Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in 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 Trust Certificates pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

**Singapore SFA Product Classification:** In connection with Section 309B(1)(c) of the SFA and the CMP Regulations 2018, unless otherwise specified in the applicable Final Terms or Pricing Supplement, the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Trust Certificates are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

#### **State of Qatar (including the Qatar Financial Centre)**

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, delivered or sold, and will not offer, deliver or sell, directly or indirectly, any Trust Certificates in the State of Qatar (**Qatar**) (including the Qatar Financial Centre), except (i) in compliance with all applicable laws and regulations of Qatar (including the Qatar Financial Centre); and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar. This Base Prospectus (i) has not been filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, Qatar Financial Centre Regulatory Authority or any other relevant Qatar governmental body or securities exchange; (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

## **Kingdom of Bahrain**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Trust Certificates except on a private placement basis to persons in Bahrain who are "accredited investors".

For this purpose, an **accredited investor** means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more (excluding that person's principal place of residence);
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

## **Malaysia**

This Base Prospectus has not been registered as a prospectus with the Securities Commission Malaysia under the Capital Markets and Services Act 2007 of Malaysia (the **CMSA**).

Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Trust Certificates have not been and will not be offered or sold by it, and no invitation to subscribe for or purchase the Trust Certificates has been or will be made by it, directly or indirectly, nor may any document or other material in connection therewith be distributed by it in Malaysia, other than to persons falling within any one of the categories of persons specified under Part I of Schedule 6, Part I of Schedule 7 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 Malaysia and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Trust Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of the Trust Certificates as aforesaid without the necessary approvals being in place.

## **The Republic of China**

The Trust Certificates have not been, and will not be, registered or filed with, or approved by, the Financial Supervisory Commission of the ROC and/or any other regulatory authority or agency of the ROC pursuant to applicable securities laws and regulations, and may not be sold, offered or otherwise made available within the ROC through a public offering or in circumstances which constitute an offer within the meaning of the ROC Securities and Exchange Act or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of the ROC and/or other regulatory authority or agency of the ROC. No person or entity in the ROC is authorised to offer, sell or otherwise make available any Trust Certificates or provide any information relating to the Base Prospectus.

In the event that the Trust Certificates are to be listed on the Taipei Exchange, the Trust Certificates have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional investors" as defined under Paragraph 1 of Article 2-1 the Taipei Exchange Rules

Governing Management of Foreign Currency Denominated International Bonds of the ROC. Purchasers of the Trust Certificates are not permitted to sell or otherwise dispose of the Trust Certificates except by transfer to a professional investor.

## Canada

The distribution of the Trust Certificates in each of the provinces of Canada will be made only on a private placement basis exempt from the requirement to prepare and file a prospectus with the securities regulatory authorities in each of the provinces of Canada where trades of the Trust Certificates are made. The Issuers are not reporting issuers in any province or territory of Canada. **Any resale of the Trust Certificates in Canada must be made under applicable securities laws which may impose a hold period or require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Canadian purchasers are further advised that there is no intention to file a prospectus or similar document with any securities regulatory authority in Canada with respect to the offering or with respect to the resale of the Trust Certificates to the public in any province or territory of Canada. Purchasers are advised to seek legal advice prior to any resale of the Trust Certificates as such resales may only be undertaken in accordance with applicable laws.**

By purchasing the Trust Certificates in Canada and accepting a purchase confirmation, a purchaser is representing to the relevant Issuer and the initial purchasers and, where applicable, their Canadian affiliates, and the dealer from whom the purchase confirmation is received that:

- (d) it is basing its investment decision solely on the Base Prospectus and the relevant Final Terms and not on any other information concerning the relevant Issuer, the IsDB or the offering and the offering of the Trust Certificates was made exclusively through this Base Prospectus and the relevant Final Terms and was not made through an advertisement of the Trust Certificates in any printed media of general and regular paid circulation, radio, television or telecommunications, including electronic display, or any other form of advertising in Canada;
- (e) the purchaser is entitled under applicable provincial securities laws to purchase the Trust Certificates without the benefit of a prospectus qualified under those securities laws, and without limiting the generality of the foregoing: (a) the purchaser is resident in or otherwise subject to the securities laws of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Newfoundland and Labrador, Nova Scotia or Prince Edward Island; and (b) such purchaser is an “accredited investor” as defined in section 1.1 of National Instrument 45-106 – *Prospectus Exemptions* (“NI 45-106”) or, if resident in the province of Ontario, as defined in subsection 73.3(1) of the *Securities Act* (Ontario);
- (f) if requested to do so, the purchaser will provide us and the initial purchasers with confirmation of the specific paragraph of the definition of “accredited investor” on which it is relying;
- (g) the purchaser is: (a) purchasing the Trust Certificates from an initial purchaser (or, where applicable, its Canadian affiliate) that is registered as an investment dealer, a restricted dealer acting in accordance with the terms, conditions, restrictions or requirements applied to its registration, or an exempt market dealer (in each case that is not relying on the “international dealer” exemption found in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (“NI 31-103”)); or (b) purchasing the Trust Certificates through an initial purchaser that is relying on the international dealer exemption in NI 31-103 and such purchaser is a “permitted client” as defined in section 1.1 of NI 31-103, or as otherwise interpreted and applied by the Canadian Securities Administrators, which includes, among other things: (i) a person or company, other than an individual or an investment fund, that has net assets of at least C\$25 million as shown on its most recently prepared financial statements; (ii) an individual who beneficially owns financial assets (being cash, securities, contracts of insurance, deposits, or evidence of a deposit) having an aggregate realisable value that, before taxes but net of any related liabilities, exceeds C\$5 million; and (iii) a person or company acting on behalf of a

managed account which is managed by that person or company, if it is registered or authorised to carry on business as an adviser or the equivalent under the securities legislation of any province or territory of Canada, or the securities legislation of any other country;

- (h) if the purchaser is an “accredited investor” in reliance on paragraph (j), (k) or (l) of the definition of “accredited investor” in section 1.1 of NI 45-106, the purchaser will provide to us and the initial purchasers a signed risk acknowledgement in the requisite form in the event that it is required;
- (i) if the purchaser is an “accredited investor” in reliance on paragraph (m) of the definition of “accredited investor” in section 1.1 of NI 45-106, the purchaser was not created or used solely to purchase or hold securities as an accredited investor under that paragraph (m);
- (j) the purchaser is not an “insider” of the relevant Issuer (within the meaning of Canadian securities laws) and is not registered as a dealer, adviser or otherwise under the securities laws of any province or territory of Canada (unless in either case it has specifically provided written advice to the contrary to the relevant Issuer and to the dealers participating in the sale of the securities to the purchaser);
- (k) the purchaser is purchasing the Trust Certificates as principal and not as agent, or is otherwise deemed to be purchasing as principal in accordance with applicable securities laws;
- (l) the funds being used to purchase the Trust Certificates are not, to the best of the purchaser’s knowledge, proceeds obtained or derived, directly or indirectly, as a result of illegal activities;
- (m) the funds being used to purchase the Trust Certificates and advanced by or on behalf of the purchaser to the initial purchasers do not represent proceeds of crime for the purpose of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (the “PCMLTFA”);
- (n) to the best of the purchaser’s knowledge, none of the funds to be provided by or on behalf of the purchaser to the initial purchasers are being tendered on behalf of a person or entity who has not been identified to the purchaser;
- (o) the purchaser shall promptly notify the relevant Issuer and the initial purchasers, as applicable, if the purchaser discovers that any such representations cease to be true, and shall provide the relevant Issuer and the initial purchasers, as applicable, with appropriate information in connection therewith;
- (p) if required by applicable securities laws or stock exchange rules, the purchaser will execute, deliver and file or assist the Issuer in filing such reports, undertakings and other documents relating to the purchaser of the Trust Certificates as may be required by any securities commission, stock exchange or other regulatory authority, including for greater certainty any information that is required for completion of Form 45-106F1 under NI 45-106.

## **General**

No action has been taken by the Issuers, the IsDB or any Dealer that would, or is intended to, permit a public offer of the Trust Certificates in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Dealer has undertaken, and each further Dealer appointed under the Programme will undertake, that it will not, directly or indirectly, offer or sell any Trust Certificates or distribute or publish any Base Prospectus, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Trust Certificates by it will be made on the same terms.

Each Dealer has 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 securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Trust Certificates or possesses or distributes this Base Prospectus and will obtain any consent, approval

or permission required by it for the purchase, offer, sale or delivery by it of Trust Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers, the IsDB, the Delegate and any other Dealer shall have any responsibility therefor.

None of the Issuers, the IsDB, the Delegate and any of the Dealers represents that Trust Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale. Persons into whose possession this Base Prospectus or any Trust Certificates may come must inform themselves about and observe any applicable restrictions on the distribution of this Base Prospectus and the offering and sale of any Trust Certificates.

With regard to each Series, the relevant Dealer will be required to comply with any additional restrictions agreed between the relevant Issuer, the IsDB and the relevant Dealer and set out in the relevant subscription agreement.

## CANADIAN PURCHASER'S RIGHTS

In certain circumstances, purchasers resident in certain provinces of Canada are provided with a remedy for rescission or damages, or both, in addition to any other right they may have at law, where an offering memorandum and any amendment to it contains a misrepresentation. A “misrepresentation” is an untrue statement of material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in the light of the circumstances in which it was made. **These remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by the applicable securities legislation.**

The following summary is subject to the express provisions of the applicable securities laws, regulations and rules, and reference is made thereto for the complete text of such provisions. Such provisions may contain limitations and statutory defences not described herein on which the IsDB and other applicable parties may rely. **Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser.**

The rights of action described below are in addition to, and without derogation from, any other right or remedy available at law to the purchaser and are intended to correspond to the provisions of the relevant securities legislation and are subject to the defences contained therein.

### **Rights of Action—Ontario Purchasers Only**

Section 130.1 of the *Securities Act* (Ontario) (the “**Ontario Act**”) provides that, if this Base Prospectus, together with any amendment to it, is delivered to a purchaser resident in the Province of Ontario and contains a misrepresentation that was a misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the misrepresentation and will have a statutory right of action against the issuer for damages or, alternatively, while still the owner of the securities, for rescission. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. The Ontario Act provides a number of limitations and defences to such actions, including the following:

- the right of action in the case of rescission will be exercisable by a purchaser only if the purchaser gives notice to the defendant, not more than 180 days after the date of the transaction that gave rise to the cause of action, that the purchaser is exercising this right; or, in the case of any action other than an action for rescission, the earlier of: (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action;
- no person or company will be liable if it proves that the purchaser acquired the securities with knowledge of the misrepresentation;
- in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and
- in no case will the amount recoverable in any action exceed the price at which the Trust Certificates were offered under this Base Prospectus.

Ontario Securities Commission Rule 45-501 provides that where this Base Prospectus is delivered to a purchaser to whom securities are distributed in reliance on the “accredited investor” prospectus exemption in Section 2.3 of NI 45-106, the right of action in Section 130.1 of the Ontario Act is applicable unless the purchaser is:

- (a) a Canadian financial institution, meaning either:
  - (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under Section 473(1) of that Act; or

- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (c) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (d) a subsidiary of any person referred to in paragraphs (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

### **Rights of Action—Manitoba Purchasers Only**

If this Base Prospectus, together with any amendment to it, is delivered to a purchaser resident in Manitoba and contains a misrepresentation that was a misrepresentation at the time of purchase, the purchaser will be deemed to have relied upon the misrepresentation and will have a statutory right of action for damages against the issuer and every director of the issuer at the date of the Base Prospectus and every person or company who signed the Base Prospectus or, alternatively, may elect instead to exercise a statutory right of rescission against the issuer. If the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages. This right of action is subject to the following limitations:

- no such action may be commenced to enforce the right of action for rescission or damages more than (a) 180 days after the day of the transaction that gave rise to the cause of action, in the case of an action for rescission, or (b) the earlier of (i) 180 days after the day that the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) two years after the day of the transaction that gave rise to the cause of action, in any other case;
- no person or company will be liable if it proves that the purchaser had knowledge of the misrepresentation;
- in the case of an action for damages, the defendant will not be liable for all or any part of the damages that it proves do not represent the depreciation in value of the security as a result of the misrepresentation relied upon; and
- in no case will the amount recoverable in any action exceed the price at which the Trust Certificates were offered under this Base Prospectus.

All or any one of the persons or companies referred to above that are found to be liable or accept liability are jointly and severally liable. A defendant who is found liable to pay a sum in damages may recover a contribution, in whole or in part, from a person who is jointly and severally liable to make the same payment in the same cause of action unless, in all the circumstances of the case, the court is satisfied that it would not be just and equitable.

In addition, a person or company, other than the issuer, will not be liable if that person or company proves that:

- (a) this Base Prospectus was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware that it was sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge and consent;
- (b) after becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to this Base Prospectus and gave reasonable notice to the issuer of the withdrawal and the reason for it;

- (c) with respect to any part of this Base Prospectus purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of this Base Prospectus (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or
- (d) with respect to any part of this Base Prospectus not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company (i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference in, or is deemed to be incorporated into, this Base Prospectus, the misrepresentation is deemed to be contained in this Base Prospectus.

### **New Brunswick Purchasers**

Section 2.1 of New Brunswick Financial and Consumer Services Commission Rule 45-802 provides that the rights of action referred to in Section 150 of the *Securities Act* (New Brunswick) (the “**New Brunswick Act**”) apply to information relating to an offering memorandum that is provided to a purchaser of securities in connection with a distribution made in reliance on the “accredited investor” prospectus exemption in Section 2.3 of NI 45-106.

The New Brunswick Act provides such purchasers with a statutory right of action against the issuer of the securities for rescission or damages in the event that the offering memorandum and any amendment to it contains a misrepresentation.

The New Brunswick Act provides that, subject to certain limitations, where an offering memorandum together with any amendments thereto, or any advertising or sales literature (as those terms are defined in the New Brunswick Act) contains a misrepresentation, a purchaser who purchases the securities shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase. Such purchaser has a right of action for damages against the issuer, a selling security holder on whose behalf the distribution is made, every person who was a director of the issuer at the date of the offering memorandum or when the advertising or sales literature was disseminated and every person who signed the offering memorandum, or may elect to exercise a right of rescission against the issuer or a selling security holder on whose behalf the distribution is made, in which case the purchaser shall have no right of action for damages. No such action shall be commenced more than, in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or, in the case of any action, other than an action for rescission, the earlier of (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.

The New Brunswick Act provides a number of limitations and defences to such actions, including the following:

- no person is liable if the person proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- in an action for damages, the defendant shall not be liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and
- in no case shall the amount recoverable exceed the price at which the securities were offered.

### **Nova Scotia Purchasers**



The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act* (Nova Scotia) (the “**Nova Scotia Act**”). The Nova Scotia Act provides, in the relevant part, that in the event that an offering memorandum, together with any amendments hereto, or any advertising or sales literature (as defined in the Nova Scotia Act) contains a misrepresentation, a purchaser who purchases the securities referred to in it is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase.

Such purchaser has a statutory right of action for damages against the seller (which includes the issuer), every person who signed the offering memorandum and, subject to certain additional defences, the directors of the seller at the time of the offering memorandum or, alternatively, while still an owner of the securities purchased by the purchaser, may elect instead to exercise a statutory right of rescission against the issuer, in which case the purchaser shall have no right of action for damages against the persons described above. No such action shall be commenced to enforce the right of action for rescission or damages more than 120 days after the date payment was made for the securities (or after the date on which initial payment was made for the securities where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment).

The Nova Scotia Act provides a number of limitations and defences, including the following:

- no person or company is liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- in the case of an action for damages, no person or company is liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation; and
- in no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser.

In addition, a person or company, other than the seller, will not be liable if that person or company proves that:

- (a) the offering memorandum or any amendment to the offering memorandum was sent or delivered to the purchaser without the person’s or company’s knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person’s or company’s knowledge or consent;
- (b) after delivery of the offering memorandum or any amendment to the offering memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the offering memorandum or any amendment to the offering memorandum, the person or company withdrew the person’s or company’s consent to the offering memorandum or any amendment to the offering memorandum, and gave reasonable general notice of the withdrawal and the reason for it; or
- (c) with respect to any part of the offering memorandum or any amendment to the offering memorandum purporting (i) to be made on the authority of an expert, or (ii) to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that (A) there had been a misrepresentation, or (B) the relevant part of the offering memorandum or any amendment to the offering memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Furthermore, no person or company, other than the seller, is liable with respect to any part of the offering memorandum or any amendment to the offering memorandum not purporting (a) to be made on the authority of an expert or (b) to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company (i) failed to conduct a reasonable investigation to provide

reasonable grounds for a belief that there had been no misrepresentation or (ii) believed that there had been a misrepresentation.

If a misrepresentation is contained in a record incorporated by reference into, or deemed incorporated by reference into, the offering memorandum or amendment to the offering memorandum, the misrepresentation is deemed to be contained in the offering memorandum or amendment to the offering memorandum.

### **Saskatchewan Purchasers**

The right of action for rescission or damages described herein is conferred by section 138 of the *Securities Act*, 1988 (Saskatchewan) (the “**Saskatchewan Act**”) The Saskatchewan Act provides, in the relevant part, that in the event that an offering memorandum, together with any amendments hereto contains a misrepresentation, a purchaser who purchases securities covered by the offering memorandum has, without regard to whether the purchaser relied on the misrepresentation, a statutory right for rescission against the issuer or has a right of action for damages against:

- (a) the issuer or a selling securityholder on whose behalf the distribution is made;
- (b) every promoter and director of the issuer, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;
- (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
- (d) every person or company that, in addition to the persons or companies mentioned in clauses (a) to (c), signed the offering memorandum or the amendment to the offering memorandum; and
- (e) every person who or company that sells securities on behalf of the issuer under the offering memorandum or amendment to the offering memorandum.

If such purchaser elects to exercise a statutory right of rescission against the issuer, it shall have no right of action for damages against that person or company.

The Saskatchewan Act provides a number of limitations and defences, including the following:

- (a) no person or company will be liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (b) in the case of an action for damages, no person or company will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation; and
- (c) in no case will the amount recoverable in any action exceed the price at which the securities were offered to the public.

In addition, no person or company, other than the issuer or selling securityholder, will be liable if the person or company proves that:

- (a) the offering memorandum or any amendment to it was sent or delivered without the person’s or company’s knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company immediately gave reasonable general notice that it was so sent or delivered; or
- (b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of such Act, the regulations to such Act or a decision of the Financial and Consumer Affairs Authority of Saskatchewan.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than, in the case of a right of rescission, 180 days after the date of the transaction that gave rise to the cause of action or, in the case of any action, other than an action for rescission, before the earlier of (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action, and (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of such Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

#### ***Purchasers in Manitoba and Prince Edward Island***

In Manitoba, the *Securities Act* (Manitoba); and in Prince Edward Island, the *Securities Act* (Prince Edward Island) provide a statutory right of action for damages or rescission to purchasers resident in Manitoba and Prince Edward Island, respectively, in circumstances where this Base Prospectus or an amendment hereto contains a misrepresentation, which rights are similar, but not identical, to the rights available to Ontario purchasers.

#### **Contractual Rights of Action—Alberta, British Columbia, Newfoundland and Labrador and Québec Purchasers Only**

Notwithstanding that the securities legislation of the provinces of Alberta, British Columbia, Newfoundland and Labrador and Québec do not provide or require the IsDB to provide to purchasers resident in these provinces any rights of action in circumstances where this Base Prospectus or an amendment hereto contains a misrepresentation, the IsDB hereby grant to such purchasers contractual rights of actions equivalent to those set forth above with respect to purchasers resident in the Province of Ontario.

## GENERAL INFORMATION

### Authorisation

The update of the Programme has been duly authorised by a resolution of the board of directors of IDB Trust Services Limited passed on 7 April 2022 and a resolution of the board of directors of IsDB Trust Services No.2 SARL passed on 7 April 2022. IDB Trust Services Limited and IsDB Trust Services No.2 SARL have each obtained all necessary consents, approvals and authorisations in connection with the update of the Programme and the issue of Trust Certificates by it pursuant thereto.

The granting of the Guarantee by the IsDB together with the entering into each of the Programme Documents and any Transaction Documents to which it is a party has been duly authorised by a resolution of the Board of Executive Directors of the IsDB passed on 31 March 2013.

### Listing

Application has been made to Euronext Dublin for the Trust Certificates (other than Exempt Certificates) issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to trading on the Market.

Application has been made to the DFSA and to Nasdaq Dubai for: (A) Trust Certificates (where the relevant Series is also admitted to the Official List and admitted to trading on the Market); or (B) Exempt Certificates (where the relevant Series is not admitted to the Official List nor admitted to trading on the Market), issued under this Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Nasdaq Dubai.

Application may be made to the Taipei Exchange for the listing and trading of (A) Trust Certificates (where the relevant Series are also admitted to the Official List and admitted to trading on the Market); or (B) Exempt Certificates (where the relevant Series are not admitted to the Official List nor admitted to trading on the Market) issued under this Programme.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuers in relation to the Trust Certificates and is not itself seeking admission of the Trust Certificates to the Official List of Euronext Dublin or to trading on the regulated market of Euronext Dublin.

### Clearing Systems

Trust Certificates issued under the Programme have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Trust Certificates of each Series will be specified in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, relating thereto. The applicable Final Terms or Pricing Supplement, as the case may be, shall specify any other clearing system as shall have accepted the relevant Trust Certificates for clearance together with any further appropriate information.

The LEI for the IDB Trust Services Limited is 213800VKLEPJ95I3W54, the LEI for IsDB Trust Services No.2 SARL is 222100S88XMYHA1E3547 and the LEI for the IsDB is 254900TNNQC073KOJ554.

### No Significant Change

Since 31 December 2020 there has been no material adverse change in the prospects of the IsDB-OCR, nor any significant change in the financial performance or financial position of the IsDB-OCR.

Since 31 December 2020 there has been no material adverse change in the prospects of IDB Trust Services Limited, nor any significant change in the financial performance or financial position of IDB Trust Services Limited.

There has been no significant change in the financial performance or financial position of IsDB Trust Services No.2 SARL and no material adverse change in the prospects of IsDB Trust Services No.2 SARL, in each case since the date of its incorporation.

### **Legal and Arbitration Proceedings**

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which either of the Trustees or the IsDB is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of either of the Trustees or the IsDB.

### **Independent Auditors**

The auditors of IDB Trust Services Limited are BDO Limited, who have audited IDB Trust Services Limited's accounts in accordance with International Standards on Auditing. IDB Trust Services Limited will make its annual audited accounts available for inspection by Certificateholders at its registered office and at the office of the Principal Paying Agent as specified below. IDB Trust Services Limited has no subsidiaries.

Ernst & Young & Co. (Certified Public Accountants), KSA (**EY**) has audited the IsDB-OCR's financial statements for the year ended 31 December 2019 and the year ended 31 December 2020, and issued their audit opinions thereon without qualification, in accordance with the Auditing Standards for Islamic Financial Institutions issued by AAOIFI and International Standards on Auditing (**ISAs**). The address of EY is 13th floor, King's Road Tower, P.O. Box 1994, King Abdulaziz Road (Malek Road), Jeddah 21441, Kingdom of Saudi Arabia. EY is registered with the Ministry of Commerce and Investment to practice as auditors and is regulated by Saudi Organization for Certified Public Accountants (SOCPA) in the Kingdom of Saudi Arabia.

The current auditors of the IsDB are Deloitte and Touche & Co. - Chartered Accountants, KSA (**Deloitte**). The address of Deloitte is Prince Turki Bin Abdullah Al-Saud Street, As Sulimaniyah, Riyadh 12234, Kingdom of Saudi Arabia. Deloitte is registered with the Ministry of Commerce and Investment to practice as auditors and is regulated by Saudi Organization for Certified Public Accountants (SOCPA) in the Kingdom of Saudi Arabia.

### **Post-Issuance Information**

Save as set out in the applicable Final Terms or the applicable Pricing Supplement, as the case may be, the Trustees do not intend to provide any post-issuance information in relation to any issues of Trust Certificates.

### **Documents**

For so long as any Trust Certificates issued under the Programme remain outstanding, copies of the following documents will be available in physical form for inspection and obtainable free of charge, during normal business hours on any weekday (excluding public holidays) from the specified office of the Principal Paying Agent at 8 Canada Square, London E14 5HQ, United Kingdom. The following documents will also be available for viewing at <https://www.isdb.org/what-we-do/investor-relations>:

- (a) the constitutional documents of each of the Trustees and the IsDB;

- (b) the most recent publicly available audited annual financial statements of the IsDB-OCR, beginning with such financial statements for the year ended 31 December 2019 and the year ended 31 December 2020, and the respective auditors' report thereon;
- (c) the most recent publicly available audited annual financial statements of IDB Trust Services Limited, beginning with such financial statements for the period ended 31 December 2019 and the year ended 31 December 2020, and the respective auditors' report thereon;
- (d) if available, the most recent publicly available annual financial statements of IsDB Trust Services No.2 SARL and the respective auditors' report thereon;
- (e) the following Programme Documents, Transaction Documents and other documents:
  - (i) the Master Purchase Agreement;
  - (ii) any Supplemental Purchase Agreement in relation to Trust Certificates which are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system;
  - (iii) the Master Wakala Agreement;
  - (iv) any Supplemental Wakala Agreement in relation to Trust Certificates which are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system;
  - (v) the Master Trust Deed;
  - (vi) any Supplemental Trust Deed in relation to Trust Certificates which are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system;
  - (vii) the Guarantee;
  - (viii) the Sale Undertaking Deed, which contains the form of IsDB Purchase Agreement;
  - (ix) the Purchase Undertaking Deed, which contains the form of IsDB Purchase Agreement;
  - (x) the Additional Portfolio Assets Sale Undertaking Deed which contains the form of the Additional Portfolio Assets Sale Agreement;
  - (xi) the Agency Agreement;
  - (xii) the Corporate Services Agreement;
  - (xiii) the Management and Administration Agreement; and
  - (xiv) the opinion of the IsDB Group Shariah Board approving the transaction structure relating to the Trust Certificates (as described in this Base Prospectus).

This Base Prospectus will be available for viewing on the website of the Euronext Dublin (<https://www.euronext.com/en/markets/dublin>).

Copies of any Supplemental Purchase Agreement, any Supplemental Trust Deed, any Supplemental Wakala Agreement, any Additional Portfolio Assets Sale Agreement, and any Pricing Supplement, as

the case may be, in respect of Trust Certificates which are not admitted to listing, trading and/or quotation on any competent authority, stock exchange or quotation system will only be available for inspection and obtainable free of charge by the relevant Certificateholders.

**THE ISSUERS / TRUSTEES**

**IsDB Trust Services No.2 SARL**

6, rue Eugène Ruppert  
L-2453 Luxembourg

**IDB Trust Services Limited**

44 Esplanade  
St Helier,  
Jersey JE4 9WG  
Channel Islands

**THE PROVIDER OF THE GUARANTEE**

*(in respect of the payment obligations arising under the Portfolio of the relevant Series of Trust Certificates)*

**The Islamic Development Bank**

8111 King Khalid Street  
Al Nuzlah Al Yamaniah District – Unit No. 1  
Jeddah 22332-2444  
Kingdom of Saudi Arabia

**ARRANGER**

**Standard Chartered Bank**

7th Floor Building One  
Gate Precinct  
Dubai International Financial Centre  
P.O. Box 999  
Dubai  
United Arab Emirates

**THE DEALERS**

**CIMB Bank Berhad, Labuan  
Offshore Branch**

c/o CIMB Investment Bank  
Berhad  
18th Floor, Menara  
CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470  
Kuala Lumpur  
Malaysia

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London  
E14 5LB  
United Kingdom

**Crédit Agricole Corporate  
and Investment Bank**

12 place des Etats-Unis  
CS 70052  
92547 Montrouge Cedex  
France



**First Abu Dhabi Bank PJSC**

FAB Building  
Khalifa Business Park  
Al Qurm District  
P.O. Box 6316  
Abu Dhabi  
United Arab Emirates

**HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

**J.P. Morgan Securities plc**

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

**Natixis**

30, avenue Pierre Mendès  
France  
75013 Paris  
France

**Société Générale**

29 boulevard Haussmann  
75009 Paris  
France

**Standard Chartered Bank**

7th Floor Building One  
Gate Precinct  
Dubai International  
Financial Centre  
P.O. Box 999  
Dubai  
United Arab Emirates

**THE DELEGATE****The Law Debenture Trust Corporation p.l.c.**

Eighth Floor  
100 Bishopsgate  
London  
EC2N 4AG  
United Kingdom

**THE PRINCIPAL PAYING AGENT AND THE CALCULATION AGENT****HSBC Bank plc**

8 Canada Square  
London E14 5HQ  
United Kingdom

**THE REGISTRAR, TRANSFER AGENT AND REPLACEMENT AGENT****Intertrust SPV Services Limited**

(formerly known as Elian SPV Services Limited and Ogier SPV Services Limited)

44 Esplanade  
St. Helier  
Jersey JE4 9WG  
Channel Islands

**LEGAL ADVISERS**

*To the IsDB as to the laws of England*

**Dentons & Co.**

Level 18, Boulevard Plaza 2  
Burj Khalifa District  
P.O. Box 1756  
Dubai, United Arab Emirates

*To IDB Trust Services Limited as to the laws of Jersey*

**Ogier (Jersey) LLP**

44 Esplanade  
St Helier  
Jersey JE4 9WG  
Channel Islands

*To IsDB Trust Services No.2 SARL as to the laws of Luxembourg*

**Dentons Luxembourg**

Atrium Vitrum Building  
33, rue du Puits Romain  
Bertrange, L-8070  
Grand Duchy of Luxembourg

*To the Dealers as to the laws of England*

**Allen & Overy LLP**

11th Floor, Burj Daman Building  
Al Mustaqbal Street  
Dubai International Financial Centre  
P.O. Box 506678  
Dubai, United Arab Emirates

*To the Dealers as to the laws of Luxembourg*

**Allen & Overy**

*Société en comandite simple*  
*(inscrite au barreau de Luxembourg)*  
5 avenue J.F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**AUDITOR TO IDB TRUST SERVICES LIMITED**

**BDO Limited**

Windward House  
La Route de la Liberation  
St. Helier  
Jersey JE1 1BG  
Channel Islands

**INDEPENDENT AUDITORS TO THE IsDB-OCR**

*Prior to 1 January 2021*

**Ernst & Young & Co. General Partnership**

King's Road Tower, 13<sup>th</sup> Floor  
King Abdul Aziz Road (Malek Road)  
P.O. Box 1994  
Jeddah 21441  
Kingdom of Saudi Arabia

*After 1 January 2021*

**Deloitte and Touche & Co. - Chartered Accountants**

Prince Turki Bin Abdullah Al-Saud Street  
As Sulimaniyah  
Riyadh 12234  
Kingdom of Saudi Arabia