



INFORMATION MEMORANDUM & MASTER CLIENT AGREEMENT FOR NBC SUKUK PROFIT SHARING INVESTMENT ACCOUNTS

An unrestricted Profit Sharing Investment Account (PSIA) established pursuant to the United Arab Emirates' Chairman of the Securities and Commodities Authority's Board of Directors' Decision No. (35/Chairman) of 2023 concerning the Management of the Profit Sharing Investment Account, as amended.

This Information Memorandum & Master Client Agreement Terms and Conditions is subject to Federal Law No. (4) of 2000 concerning the United Arab Emirates Securities and Commodities Authority and the Chairman of the Authority's Board of Directors' Decision No. (35/Chairman) of 2023 concerning the Management of the Profit Sharing Investment Account, as amended (the Decision), and all laws, regulations, and decisions in force in the United Arab Emirates.

The earlier version of this Information Memorandum & Master Client Agreement Terms and Conditions was in the form of a Prospectus first issued on 18 March 2006, amended on 20 January 2008 (Amendment #2), subsequently amended on 9 December 2010 (Amendment #3). This update in the form of Information Memorandum & Master Client Agreement was issued on 18th December 2024 pursuant to reclassification under the relevant rules of Securities and Commodities Authority (Amendment # 4)

DIRECTORY

Company	<p>National Bonds Corporation Sole Proprietorship PSC, which is a 100% subsidiary of the Investment Corporation of Dubai (ICD), a Government of Dubai entity.</p> <p>Al Hudaiba Awards Buildings Block C, 6th Floor, 2nd December Street Dubai United Arab Emirates</p>
PSIA Manager	<p>The Company (acting in such capacity) with respect to the Profit Sharing Investment Account(s) or any other entity nominated or assigned by the Company to act as PSIA Manager.</p>
The External Auditor:	<p>Please see the description provided in this Information Memorandum</p>
Sharia Supervisory Board:	<p>Please see the description provided in the Information Memorandum</p>



INFORMATION MEMORANDUM

NBC SUKUK

PROFIT SHARING INVESTMENT ACCOUNTS

(Issued under the laws of the United Arab Emirates subject to the considerations set out in the Master Client Agreement Terms and Conditions)

The Company is a private joint stock company formed under the Companies Law and is licensed by the Securities and Commodities Authority to manage Profit Sharing Investment Accounts (hereinafter referred to as **PSIA** or **NBC Sukuk** as the context may require). The Company through itself or a PSIA Manager manages PSIAs and shall invite existing or prospective clients to open PSIAs where each PSIA client will be issued a certificate of equal value based on their investments (to be referred as the **Sukuk Certificates**) (the **Offering**). The NBC Sukuk is structured on the basis of Mudaraba and accordingly, the PSIA Manager shall act as the Mudareb in relation to the proceeds generated from the Sukuk Certificates by the investment account holders (hereinafter to be referred to as the **Sukuk Holders**).

The PSIA Manager shall manage the proceeds of the Mudaraba in a Sharia compliant manner (as determined by Sharia Supervisory Board) and in accordance with the considerations set out in the Master Client Agreement Terms and Conditions (attached to this Information Memorandum) and any applicable Additional Terms and Conditions and subject to compliance with all applicable laws, regulations and directives.

Each of the Sukuk Certificates shall represent an undivided ownership interest in the Mudaraba Assets. Sukuk Certificates may be issued in the Issuance Currency for the Minimum Issuance Quantity and may be issued under various Sukuk Types in the Issuance Unit subject to the Information Memorandum, provisions of the Master Client Agreement Terms and Conditions and any Additional Terms and Conditions (specific to the Sukuk Type).

The Company has entered into a Declaration of a Promise to Purchase for the benefit of the Sukuk Holders, whereunder the Company shall be irrevocably obliged to purchase,

- (a) the Sukuk Certificates which are the subject of a Redemption Request (provided the requested redemption is made in accordance with the Master Client Agreement Terms and Conditions issued by the Company from time to time); and
- (b) all issued Sukuk Certificates on the occurrence of either of:
 - (i) the winding-up of the NBC Sukuk in accordance with Clause 31.2 of the Master Client Agreement Terms and Conditions; or
 - (ii) a final and non-appealable judgment being issued against the PSIA Manager in

accordance with Clause 43 of the Master Client Agreement Terms and Conditions,

for the consideration of the applicable Redemption Amount.

As part of the Application and subscription process, each Sukuk Holder must sign a Sale Undertaking pursuant to which the Sukuk Holder shall be construed to have irrevocably provided a call option to the Company (in its independent corporate capacity) enabling the Company to purchase all of the Sukuk Holder's outstanding Sukuk Certificates for the applicable Redemption Amount in the event that the Company decides to the winding-up of the NBC Sukuk.

Sukuk Holders rights to invest in and apply for redemption of the Sukuk Certificates issued by the Company or the PSIA Manager are governed by the Master Client Agreement and the Additional Terms and Conditions (specific to the Sukuk Type) (as defined in the Master Client Agreement Terms and Conditions below) and, by executing an Application and/ or subscribing to the Sukuk Certificates, each Sukuk Holder shall be construed to have irrevocably agreed to all of the aforementioned.

Unless otherwise defined in the Master Client Agreement Terms and Conditions and the Additional Terms and Conditions, the expressions used in the Master Client Agreement and the Additional Terms and Conditions shall have the meanings given in the Master Client Agreement and/or the Additional Terms and Conditions (specific to the Sukuk Type), as the case may apply.

The issuance of this Information Memorandum has been approved by the Board of Directors of the Company and the Sharia Supervisory Board. This Information Memorandum has been prepared in accordance with principles of Sharia (as determined by the Sharia Supervisory Board) and the applicable laws of the United Arab Emirates. All prospective and existing Sukuk Holders should independently ascertain and determine the Sharia compliance and legality of the Offering and shall not solely rely on the statements of the Company or the PSIA Manager.

Under no circumstances shall this Information Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these Sukuk Certificates to any potential Sukuk Holder, who is a citizen of or resident in any jurisdiction in which such offer, solicitation or sale would be unlawful. No action has been or will be taken outside of the United Arab Emirates that would permit an offer of the Sukuk Certificates in any other country. Currently the Sukuk Certificates have not been listed on any stock exchange either in or outside the UAE.

Each Sukuk Holder must comply with all laws and regulations in force in any jurisdiction which are applicable to them in relation to the purchase, holding or redemption of the Sukuk Certificates.

The PSIA Manager and the Company is a fully owned subsidiary of Investment Corporation of Dubai (ICD), a Government of Dubai entity. ICD may in the future, and at its absolute discretion, transfer the ownership of the Company to any of its fully owned subsidiaries. At all times, ICD will continue to be the Company's ultimate beneficial owner. ICD may be able to access and request information related to the Sukuk Holders from the PSIA Manager or the Company from time to time.

The PSIA Manager or the Company may establish other investment funds and instruments including Sharia-compliant investment funds and instruments or PSIA independent of NBC Sukuk.

The Information Memorandum and the Master Client Agreement Terms and Conditions and the Additional Terms and Conditions comply with the requirements as set out by the Securities and Commodities Authority.

The Company and the PSIA Manager accept responsibility for the information contained in this Information Memorandum, Master Client Agreement Terms and Conditions and under the Additional

Terms in relation to the Sukuk Type issued. To the best of the knowledge of the Company and the PSIA Manager the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Sukuk Type will be issued on the terms set out herein under the Terms and Conditions and the Additional Terms in relation thereto. This Master Client Agreement must be read and construed together with any supplements hereto, and, in relation to the Sukuk Type along with the Terms and Conditions and the Additional Terms in relation thereto.

Copies of the Master Client Agreement, the Terms and Conditions, and the Additional Terms will be available on the PSIA Manager's website.

The Company and the PSIA Manager confirm that all third-party information contained in this Information Memorandum has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant third-party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third-party information contained in this Information Memorandum is stated where such information appears in this Information Memorandum. The Company and / or the PSIA Manager accepts no liability for any inaccuracy contained in third party information.

None of the agents or dealers dealing with the Sukuk Certificates (the **Dealers**) have 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 any of them as to the accuracy, adequacy, reasonableness or completeness of the information contained in this Information Memorandum or any other information provided by the Company and / or the PSIA Manager in connection with the Offering.

No person is or has been authorized by the Company and / or the PSIA Manager to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other information supplied in connection with the Sukuk Certificates and, if given or made, such information or representation must not be relied upon as having been authorized by the Company, the PSIA Manager or the Dealer (as the case may apply).

Neither this Information Memorandum nor any other information supplied in connection with the Offering or any Sukuk Certificates (a) is intended to provide the basis of any credit or other evaluation save for making an investment decision on the Sukuk Certificates or (b) should be considered as a recommendation by the Company or the PSIA Manager or the Dealer that any recipient of this Information Memorandum or any other information supplied in connection with the Offering or the issue of any Sukuk Certificates should purchase any Sukuk Certificates.

Each prospective Sukuk Holder intending to purchase or subscribe to the Sukuk Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the PSIA based on Mudaraba, PSIA Manager and the Company. Neither this Information Memorandum nor any other information supplied in connection with the Offering for the issue of any Sukuk Certificates constitutes an offer or invitation by or on behalf of the Company, the PSIA Manager or any of the Dealers to any person to subscribe for or to purchase any Sukuk Certificates.

FORWARD-LOOKING STATEMENTS

Certain statements in this Information Memorandum are not historical facts and are forward-looking statements. Forward looking statements appear in various locations of this Information Memorandum and under the marketing materials of the NBC Sukuk. The statements contained in this Information Memorandum that are not factual historic statements are “forward-looking” statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company’s control and all of which are based on the Mudaraba or the Company’s current beliefs and expectations in relation to future events. The forward-looking statements are typically identified by the use of forward-looking terminology, such as “believes”, “expects”, “may”, “will”, “could”, “would”, “should”, “intends”, “targets”, “aims”, “projects”, “estimates”, “plans”, “assumes” or “anticipates” or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. In addition, from time to time, representatives of the Company have made or may make forward-looking statements orally or in writing. Furthermore, such forward-looking statements may be included in, but are not limited to, press releases or oral statements made by, or with the approval of, an authorized executive officer of the NBC Sukuk and the Company.

Forward-looking statements include statements concerning the NBC Sukuk or the Company’s plans, objectives, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, competitive strengths and weaknesses, business strategy and the trends we anticipate in the industries and the political and legal environment in which the NBC Sukuk and the Company operate and other information that is not historical information.

These forward-looking statements and other statements contained in this Information Memorandum regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the NBC Sukuk and/or the Company. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Please refer to the “*Risk Factors*” section of this Information Memorandum. Prospective Sukuk Holder should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

The list of important factors set out in this section and the “*Risk Factors*” section of this Information Memorandum is not exhaustive. When relying on forward-looking statements, prospective Sukuk Holder should carefully consider the foregoing factors and other uncertainties and events. Such forward-looking statements speak only as of the date on which they are made. Accordingly, the Company does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise other than as required by applicable laws. None of the directors, employees or personnel of the Company make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

None of the directors, employees or personnel of the Company can give any assurance or accept any liability for the accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments. Accordingly, Sukuk Holders should not rely on the forward-looking statements in this Information Memorandum and Sukuk Holders are strongly advised to read this Information Memorandum in its entirety.

SUMMARY OF KEY TERMS OF THE NBC SUKUK

The following summary is not intended to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information and conditions appearing elsewhere in this Information Memorandum (including the Master Client Agreement Terms and Conditions issued by the Company) and the Additional Terms and Conditions (specific to the Sukuk Type).

A. DESCRIPTION OF THE OFFERING

PSIA Manager as Mudareb

PSIA Manager, in its capacity as the Mudareb shall pursuant to this Information Memorandum accept the client's funds into the NBC Sukuk Profit-Sharing Investment Accounts (PSIA) on the basis of Mudaraba. Each client whose funds have been accepted into the NBC Sukuk shall be provided with a Sukuk Certificates representing undivided interests in the underlying Mudaraba Assets.

Brief description of the Sukuk Certificates

The investment by Sukuk Holders in the NBC Sukuk is represented by Sukuk Certificates which are the subject matter of the Offering under this Information Memorandum. The Sukuk Certificates are subject to the Master Client Agreement Terms and Conditions, the Additional Terms and Conditions (specific to the Sukuk Type) and the other provisions of this Information Memorandum as may be amended from time to time.

Sukuk Holder shall be entitled to a share of the Distributable Profits generated by the Mudaraba Assets in accordance with the Sukuk Holder Profit Entitlement subject to the Reference Period Incentive and the Final Reference Period Incentive, as described in the Terms and Conditions. Notwithstanding this, only the PSIA Manager is entitled to invest, manage and deal with the Mudaraba Assets in accordance with the principles of Sharia and the provisions of the Master Client Agreement Terms and Conditions and the remaining provisions of this Information Memorandum.

Each Sukuk Certificate can be entered into Rewards Program immediately upon executing the Application in accordance with Clause 20 of the Master Client Agreement Terms and Conditions and further subject to the Additional Terms and Conditions (specific to the Sukuk Type).

The investment objectives and policy of the NBC Sukuk pursuant to which the Sukuk Certificates have been issued are contained in Clauses 6 and 7 of the Master Client Agreement Terms and Conditions.

Nature of investment

Pursuant to the Application to PSIA Manager, a Sukuk Holder agrees to the investment of the subscription proceeds on an unrestricted Mudaraba basis by the Company (**Unrestricted Mudaraba**).

Pursuant to the subscription, each Sukuk Holder is an investor (*Rabb Al Maal*) in the NBC Sukuk and the PSIA Manager shall act as a *Mudareb* by using its efforts and expertise to invest the proceeds and manage the Mudaraba Assets for the Sukuk Holders.

For the avoidance of doubt, Unrestricted Mudaraba means the PSIA Manager as Mudareb has full and sole discretion to determine the nature and suitability of the investment of the proceeds of Sukuk Certificates to create Mudaraba Assets. Accordingly, the Sukuk Holders, each in their capacity as *Rabb Al*

Maal, will not have any right to be involved or participate in the investment or management of the Mudaraba Assets, which right is solely vested in the PSIA Manager, in its capacity as Mudareb.

The Sukuk Holders shall be entitled to the Distributable Profits in accordance with the Master Client Agreement Terms and Conditions and the Additional Terms and Conditions (specific to the Sukuk Type).

The Company may, from time to time, in its sole and absolute discretion decide to allocate such amounts from its own resources (including the PSIA Manager Profit Entitlement and/or the Reference Period Incentive) to be distributed (in its sole and absolute discretion from time to time decide) by way of rewards through Rewards Program amongst the Sukuk Holders as contemplated under the Terms and Conditions, the Additional Terms and Conditions (specific to the Sukuk Type) provided that at no time shall any of these payments in relation to the Rewards Program be from Sukuk Holder Profit Entitlement.

Sharia Supervisory Board

The Sharia Supervisory Board of the Company shall be designated as the Sharia Supervisory Board of the PSIA Manager and the NBC Sukuk and shall be responsible body overseeing the Sharia compliance of the Sukuk Certificates and the Offering and shall be responsible for supervising and determining all Sharia related matters.

The Sharia Supervisory Board of the Company comprises senior Sharia scholars, whose details are set out on the website of the Company.

As provided in the this Information Memorandum, the Sharia Supervisory Board has a duty to monitor and approve the activities of NBC Sukuk and the PSIA Manager including but not limited to the following:

- Review and provide Sharia guidance (**Sharia Guidance**):
 - All business activities, products and services to be offered by the Company or the NBC Sukuk
 - contracts and sample agreements to be executed.
 - solutions for issues relating to financial transactions.
 - transactions of the PSIA Manager placed before it by the Board of Directors, the Chief Executive Officer and/or any authorized person in this regard.
 - Profit-Sharing Ratios and profit distribution between the PSIA Manager and the Sukuk Holders
 - Profit distribution between Sukuk Holders
- Conducting periodic internal reviews (**Internal Sharia Review**):
 - to evaluate the extent of compliance with Sharia rulings and guidance issued by the Sharia Supervisory Board.
 - monitoring the transactions and reviewing its activities from a Sharia point of view to ensure that executed transactions have been in line with the features of the products approved by the Sharia Supervisory Board.
 - to evaluate and assess the profit distribution.
 - Review the annual financial statements prepared by the PSIA Manager and audited by the External Auditor prior to its submission before the regulators.
- To determine the Zakat per Sukuk payable by each Sukuk Holder.
- Prepare and issue an annual report on Sharia compliance (**Annual Sharia Report**)

Sharia Supervisory Board for the purpose of Sharia Guidance, Internal Sharia Reviews and issuance of Annual Sharia Report shall function as per the guidelines of applicable Governance Standard for Islamic Financial Institutions (GSIFI) issued by AAOIFI, as well as the relevant guidelines set forth in the SCA rule book.

The investment and management of the NBC Sukuk by the PSIA Manager must be in accordance with the principles of Sharia (as determined by the Sharia Supervisory Board) and must be approved by the Sharia Supervisory Board in accordance with the mechanism agreed by the Sharia Supervisory Board of the Company.

Establishment and duration

The NBC Sukuk had been initially established for a duration of thirty (30) years with the option of the Company to automatically renew the same for such similar periods, as deemed appropriate with the Company without prejudice to the right of the Sukuk Holders to redeem their Sukuk as provided in the Master Client Agreement Terms and Conditions and/or the Additional Terms and Conditions (specific to the Sukuk Type) (as the case may apply).

The Company or the PSIA Manager has the sole and absolute right to wind-up all or any portion of the NBC Sukuk, as it deems appropriate by providing written notice to the Sukuk Holder to such effect and subject to the provisions of the Master Client Agreement Terms and Conditions and/or the Additional Terms and Conditions (specific to the Sukuk Type) (as the case may apply).

Sukuk Type

The Company shall be able to issue different Sukuk Type, which shall have distinct features and which are governed by their Additional Terms and Conditions (specific to the Sukuk Type) in addition to the Master Client Agreement Terms and Conditions;

Maximum number of Sukuk Certificates

The maximum number or amount of Sukuk Certificates shall be determined by the Company.

Minimum holding of Sukuk Certificates

The minimum number or amount of Sukuk Certificates to be held by a Sukuk Holder shall be determined by the Company.

Minimum number of Sukuk Certificates to be purchased or redeemed

The minimum number of Sukuk Certificates that must be purchased in any Application shall be the Minimum Issuance Quantity and the extent of the Sukuk Certificates that may be redeemed by a Sukuk Holder shall be the Minimum Redemption Quantity.

Price

The price for a Sukuk Certificate for which an Application is accepted shall be for the Issuance Unit subject to the Minimum Issuance Quantity.

Fees and Deductions

The Company reserves the right to charge various fees in relation to the Sukuk Type and shall be set out in the Additional Terms and Conditions (specific to the Sukuk Type) (as the case may apply) provided always that the basis of applying such fees shall be duly approved by the Sharia Supervisory Board. The Company will notify the Sukuk Holders from time to time of the introduction, amendment or cancellation of any such fees.

Fees may be payable by the PSIA Manager to certain designated commercial establishments that facilitate the process of issuing and redeeming the Sukuk Certificates (**Approved Outlets**), and shall be considered as operating expenses of the NBC Sukuk.

In addition to a share in the Distributable Profit in accordance with the Profit-Sharing Ratios the PSIA Manager may be entitled to be paid from and out of the Mudaraba Assets:

- (a) a Reference Period Incentive, as more fully described in Clause 11.1 of the Terms and Conditions;
- (b) a Final Reference Period Incentive, as more fully described in Clause 31.2 of the Terms and Conditions upon the winding-up of the Sukuk Certificates.

Declaration of a Promise to Purchase

The Company has entered into a Declaration of a Promise to Purchase for the benefit of the Sukuk Holders, whereunder the Company shall be irrevocably obliged to purchase:

- (a) the Mudaraba Assets represented by the Sukuk Certificates which are the subject of a Redemption Request (provided the requested redemption is made in accordance with the Terms and Conditions issued by the Company from time to time); and
- (b) all issued Sukuk Certificates on the occurrence of either of:
 - (i) the winding-up of the NBC Sukuk in accordance with Clause 30.2 of the Terms and Conditions; or
 - (ii) a final and non-appealable judgment being issued against the PSIA Manager in accordance with Clause 43 of the Terms and Conditions,

for the consideration of the applicable Redemption Amount.

Sale Undertaking

As part of the Application and subscription process, each Sukuk Holder must sign a Sale Undertaking pursuant to which the Sukuk Holder shall be construed to have irrevocably provided a call option to the Company (in its independent corporate capacity) enabling the Company to purchase all of the underlying assets represented by such Sukuk Holder's Sukuk Certificates for the applicable Redemption Amount in the event that the Company decides to the winding-up of the NBC Sukuk.

B. NATIONAL BONDS CORPORATION SOLE PROPRIETORSHIP PSC AND AUDITORS**National Bonds Corporation Sole Proprietorship PSC (the Company)**

The Company is a private joint stock shareholding company established in March 2006 with a paid-up capital of AED 150 million established under the Companies Law and is licensed by the Securities and Commodities Authority, United Arab Emirates (SCA) to act as PSIA Manager. It is currently fully owned by the Investment Corporation of Dubai, the investment arm of Government of Dubai. In addition to being regulated by the SCA, the Company is audited by Financial Audit Authority of the Government of Dubai, Sharia Supervisory Board to the extent of Sharia compliance as well as reputable international external auditors.

(a) Current Address

The current address of the Company's main office is Al Hudaiba Awards Building, Block C, 6th Floor, 2nd December Street, Dubai, United Arab Emirates and any amendment in this regard will be updated on the website of the Company.

(b) Board of Directors

The Company has a Board of Directors comprises of five (5) esteemed members which shall be updated on the website of the Company.

(c) Sharia Supervisory Board

The Company has a Sharia Supervisory Board comprises of senior Sharia scholars, which shall be updated on the website of the Company.

(d) Executive Management

The Executive Management of the Company comprises of the expert and experienced professionals in the industry. The necessary details about the Executive Management shall be updated on the website of the Company.

(e) External Auditor

The External Auditor of the Company shall be the entity as updated on the Company's website, from time to time.

C. FUNDING ARRANGEMENTS

If certain funding is required by the PSIA Manager in relation to the operations of the NBC Sukuk, the PSIA Manager or the Company may provide such amounts required from time to time, by way of profit free finance (*qard al hasan*) subject to the recourse to the Mudaraba Assets.

If additional funding is required by the Company at its independent corporate level, then the Company shall have the option to:

- Procure financing at the Company's corporate level without any recourse to the Mudaraba Assets;
- Request payment from its shareholders of any uncalled amounts on the issued capital of the Company;
- Explore options as deemed appropriate by the management of the Company.

In relation to the payment of Prizes to the Sukuk Holders, if the PSIA Manager Profit Entitlement in accordance with the Profit-Sharing Ratios in relation to the Sukuk Certificates is not sufficient to fund the respective Prizes, then the Company should always ensure that the Prizes distributed under the Sukuk Certificates will always be funded from the Company's own resources, as contemplated above, so that the underlying Mudaraba Assets or the Sukuk Holder Profit Entitlement in terms of profit and loss will not be affected by the distribution of these Prizes.

D. PROJECTED PROFIT RETURNS

The PSIA Manager, in its capacity as Mudareb, shall apply the investments of the proceeds backed by the Investment Policy in relation to the Sukuk Certificates to create the pool of Mudaraba Assets. Pursuant to the Investment Policy, the Company (as PSIA Manager), will be able to determine, amongst other things the following:

- Expected Returns the Mudaraba Assets will generate for the Sukuk Holders and the PSIA Manager.
- Profit-sharing ratios for the Sukuk Type subject to the Reference Period Incentive and the Final Reference Period Incentive.
- Profit Threshold in relation to the Sukuk Holder Profit Entitlement of the Sukuk Holders under the Sukuk Type.

E. RISK FACTORS

The Company believes that the factors described below represent some of the principal risks inherent in investing in the NBC Sukuk, but the inability of the Company to pay profit, distribute rewards, principal investment (to the extent still intact) or other amounts on or in connection with NBC Sukuk may occur for other reasons which may not be considered significant risks by the Company based on information currently available to it or which it may not currently be able to anticipate.

The Company believes that the following factors may affect its ability to fulfil its obligations under the PSIA. Most of these factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which the Company believes are material for the purpose of assessing the market risks associated with the NBC Sukuk are also described below.

The Company does not represent that the statements below regarding the risks of investing in NBC Sukuk are exhaustive. Consequently, the statements below or in the Terms and Conditions regarding the risks of investing in the NBC Sukuk should not be viewed as exhaustive.

NBC Sukuk may have additional risk factors that should be considered, together with the risk factors below, before making an investment decision. Prospective Sukuk Holders should also read the detailed information in this Information Memorandum and the Master Client Agreement Terms and Conditions and Additional Terms and Conditions for Sukuk Type and reach their own views prior to making any investment decision. Prospective Sukuk Holders should reach an investment decision with respect to the suitability of the type of the Sukuk Certificates for them only after careful consideration and consultation with their financial, tax, regulatory, legal, Sharia and other advisers.

The order in which the following risk factors are presented is not an indication of the likelihood of their occurrence.

(a) General Risk Factors

(i) The nature of the Company

The Company has been established for the purpose of, amongst other things, managing the PSIA and/or the NBC Sukuk, and other activities incidental or related to the foregoing as required under the documentation and permitted under the applicable regulations.

The Company may have no significant assets other than its contribution to the NBC Sukuk. Recourse of the Sukuk Holders against the Company is limited to the funds of the Company from time to time in the NBC Sukuk. The Company will have no liability to make any payments under the Sukuk Certificates where such funds are not available to it. Therefore, the Sukuk Holders are exposed to the risk and will have recourse limited to the Mudaraba Assets only and no further recourse against the Company and any of their affiliates, officers, directors and employees, but will suffer a corresponding loss on their investment.

(ii) Risks associated with investment in the NBC Sukuk

An investment in the NBC Sukuk involves certain risks, some of which have been highlighted in the Risk Factors, including, among others, risks relating to:

- the impact of increased competition on the PSIA Manager's ability to source and make investments;
- fluctuations in the financial or investment markets in which the NBC Sukuk operates and the resulting impact on the value of the Mudaraba Assets and the income generated therefrom;
- the PSIA Manager's ability to realize one or more of the Mudaraba Assets for a particular price at a particular time, due to the illiquidity of the relevant asset class;
- the NBC Sukuk's exposure to risks associated with seeking financing or maintaining sufficient working capital and/or upkeep of the refurbishment of the Mudaraba Assets and future acquisition in light of the regulatory limitation;

- the availability of insurance/takaful against certain catastrophic losses and losses in excess of insurance/takaful proceeds;
- the NBC Sukuk's dependence on the Company, its key personnel, use of intellectual property and its relationship with Company;
- potential changes to the political, regulatory, economic and social environment in which the NBC Sukuk and the Company as PSIA Manager operates and their ability to adapt to those changes.
- NBC Sukuk is established pursuant to regulation by SCA whereby only a government owned entity can establish and manage PSIA. As a result, the Sukuk Holders may have no alternative to change the PSIA Manager.

Prior to making an investment decision, the Sukuk Holders should consider carefully such matters.

(iii) Potential recovery of investment

While, depending on the performance of the Mudaraba Assets and the impact of the Risk Factors highlighted above, a Sukuk Holder might not be able to recover the full amount originally invested through the subscription in the Sukuk Certificate due to various considerations highlighted in this Information Memorandum and the Master Client Agreement. This risk has been mitigated by the Sukuk Holders having the benefit of the Declaration of a Promise to Purchase from the Company. The degree of mitigation of this risk will depend on the financial ability of the Company to meet its obligations under the Declaration of a Promise to Purchase.

(iv) Exercise under the Sale Undertaking

While the Sukuk Holder as part of the application process has signed and executed a Sale Undertaking which grants a call option to the Company (acting in a capacity totally independent from its capacity as the PSIA Manager) enabling the Company to purchase all of the Sukuk Holder's outstanding Sukuk Certificates at the applicable Redemption Amount in the event that the NBC Sukuk is wound up. It needs to be underscored that the Company may or may not be able to exercise its right under the Sale Undertaking.

(v) Company's dependency upon receipt of certain payments

In certain cases, the ability of the Company to meet its obligations may depend on the receipt by it of certain payments from the Mudaraba Assets and/or any other agreement. Consequently, the Company, and therefore the Sukuk Holders, will be exposed to a payment delay, or payment failure, in respect of any Mudaraba Assets and/or the ability of the counterparty to any such agreement to perform its obligations under such agreement and to the creditworthiness of such counterparty.

(vi) NBC Sukuk's dependency upon Company as PSIA Manager and potential conflicts of interest

NBC Sukuk will depend upon the Company to perform all paying agent, registrar, calculation agent and custodian functions in connection with the Sukuk Certificates. If the Company becomes unable to perform any such function, due to insolvency or otherwise, this may materially and adversely affect the Company's ability to make payments to the Sukuk Holders.

In addition, as the Company will perform all paying agent, registrar, calculation agent and custodian functions in connection with the Sukuk Certificates, and there are no third-party service providers, there is the potential for conflicts of interest affecting the Company to occur which may have a material adverse effect on the Sukuk Holders.

As a result, Sukuk Holders will be exposed not only to the credit risk of Company but also to potential conflicts of interest and operational risks arising from the lack of independence associated with Company acting in those roles.

The Company and any of its affiliates in connection with their other respective business activities, may possess or acquire material information about the underlying assets, or trade in the underlying assets. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities and/or financial advisory relationships. None of the Company and its affiliates have any obligation to disclose such information about the underlying assets or the companies to which they relate. The Company and its affiliates, and their respective officers and directors, may engage in any such activities without regard to the NBC Sukuk or the effect that such activities may directly or indirectly have on the NBC Sukuk. The Company and / or the PSIA Manager shall always ensure that they will act in the best interests of the Sukuk Holders.

In particular, the following potential conflicts of interest could exist in connection with any issue of NBC Sukuk in the context of the Offering:

- in the normal course of their activity, the Company, PSIA Manager and its affiliates could be required to carry out transactions for their own account or for the account of their clients and hold long and short-term positions on the Underlying assets and/or products derived from these assets and could be deemed to be contrary to the interests of the Sukuk Holders;
- in the normal course of their activity, the Company and its affiliates could possess or acquire information which is not public knowledge on the Underlying assets and which are or could be important to the NBC Sukuk. None of the Group entities intend, or is under any obligation, to make this information available to the Sukuk Holders; and
- hedging and trading activity by the Company and its affiliates could potentially affect the value of the Mudaraba Assets in the ordinary course of its business, whether or not it will engage in any secondary market-making activities. The Company and/or any of its affiliates may affect transactions for their own account or for the account of their customers and hold long or short positions in the Mudaraba Assets or related Sharia compliant derivatives.

In addition, in connection with the NBC Sukuk, the Company and/or its affiliates may enter into one or more hedging transactions. In connection with such hedging (or any market-making activities or with respect to proprietary or other trading activities by the Company) the Company and/or its affiliates may enter into transactions in the Mudaraba Assets or related Sharia compliant derivatives which may affect the redemption price, liquidity or value of the NBC Sukuk and the underlying assets and which could be deemed to be adverse to the interests of the Sukuk Holders.

(vii) Sharia compliance

NBC Sukuk is structured to follow the principles of Sharia as interpreted by the Sharia Supervisory Board. The Sharia Supervisory Board has reviewed the structure and documentation for the Offering and has pronounced that the Offering is following the rules and principles of Sharia, as interpreted by the Sharia Supervisory Board. However, none of the Company or its affiliates makes any representation as to whether the NBC Sukuk, the Mudaraba Assets, the Underlying transaction documents and/or any transactions contemplated thereunder are compliant with the principles of Sharia or will be considered to be in accordance with the principles of Sharia by other Sharia scholars and advisory boards or committees or any other entity or body.

Each prospective Sukuk Holder should not rely on any pronouncement of the Sharia Supervisory Board. Each Sukuk Holder will, by becoming a Sukuk Holder, be deemed to have represented that it is satisfied in its determination, having consulted its own Sharia advisors and any other professionals (in both cases, as it deems appropriate), that the NBC Sukuk will not contravene Sharia. The Sukuk Holders will be solely responsible for determining whether they are permitted to hold any Sukuk Certificates in respect thereof, including under applicable securities laws. The Company will not be responsible for any pronouncements of any Sukuk Holder's Sharia advisory board.

The Sukuk Holders should be aware that there may be differences of opinion and interpretation on certain aspects of Sharia, including between different Sharia scholars and advisory boards.

In addition, Sharia scholars and advisory boards may change or retract their previous opinions or change their previous interpretations concerning certain aspects of Sharia. Such changes or retractions could significantly affect the value or liquidity of underlying assets.

The number of recognised Sharia scholars worldwide who are experienced in advising on Sharia-compliant products and transactions is relatively small. A change in opinion or interpretation by one or more Sharia scholars could cause a change in the perception of whether or not any instruments are Sharia-compliant. In addition, the interpretation of Sharia by the Sharia Supervisory Board may not always be representative of the views of other Sharia scholars.

The Sukuk Holders should be aware that any pronouncement of the Sharia Supervisory Board may well materially differ in some or all of its opinions and conclusions from that of an Sukuk Holder's own Sharia advisor or any other Sharia advisory board and/or scholarly opinion, in its consideration of the NBC Sukuk and the other matters contained in any pronouncement of the Sharia Supervisory Board, and none of the Company or any affiliates, accepts any responsibility or liability, or undertakes to take any further action, in this regard.

(viii) Foreign exchange policy, inflation and exchange rates may adversely affect the Sukuk Certificates' business, financial condition, results of operations and prospects

The AED has been “pegged” at a fixed exchange rate to the US Dollar since 22 November 1997. If the AED /US Dollar peg were removed or altered, it may result in an increase to the costs of the NBC Sukuk's business and/or an increase to any payment obligations of any future indebtedness that may be denominated in US Dollars, which may adversely affect the business, financial condition, results of operations and prospects. Although inflation and foreign currency exchange rates in the UAE have historically been contained and stable, in the event of excessive inflation, devaluation in the local currency, or an elimination of the AED /US Dollar peg which allowed for greater change in UAE monetary policy, the results of operations of UAE entities, including the NBC Sukuk, could be materially adversely affected.

(ix) Risk factors relating to Multi Currency Sukuk Certificates

The Company may issue a Sukuk Type in different currencies (the **Multi Currency Sukuk**), where the amount of principal investment and/or profit payable are dependent upon movements in currency exchange rates. Accordingly, an investment in Multi Currency Sukuk may bear similar market risks to a direct foreign exchange investment and potential Sukuk Holder's should take advice accordingly.

Potential Sukuk Holder in any such Sukuk Certificates should be aware that, depending on the terms of the Multi Currency Sukuk, (i) they may receive no (or a limited amount of) profit, (ii) payment of principal investment (to the extent still intact) or profit may occur at a different time or in a different currency than expected and (iii) they may lose a substantial portion of their investment. In addition, movements in currency exchange rates may be subject to significant fluctuations that may or may not correlate with changes in profit rates or other indices and the timing of changes in the exchange rates may, directly or indirectly, affect the actual yield to Sukuk Holder, even if the average level is consistent with their expectations.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macroeconomic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions which could result in the receipt of reduced payment and/or otherwise make it impossible or impracticable for the Company to meet its payment obligations in the original currency of the Sukuk Certificates). In recent years, rates of exchange between some currencies have been volatile. This volatility may be expected in the future. Fluctuations that have occurred in any particular exchange rate in the past are not necessarily indicative, however, of fluctuation that may occur in the rate during the term of any Sukuk Certificates. Fluctuations in exchange rates will affect the value of Multi Currency Sukuk.

If the amount of principal investment and/or profit payable is dependent upon movements in currency exchange rates and are determined in conjunction with a multiplier greater than one, or

by reference to some other leverage factor, the effect of changes in the currency exchange rates on principal investment or profit payable will be magnified.

The Redemption Price of such Sukuk Certificates may be volatile and, if the amount of principal investment and/or profit payable are dependent upon movements in currency exchange rates, may depend upon the time remaining to the relevant dissolution date and the volatility of currency exchange rates. Movements in currency exchange rates may be dependent upon economic, financial and political events in one or more jurisdictions.

(x) Legal investment considerations may restrict certain investments

The investment activities of certain Sukuk Holders are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential Sukuk Holder should consult its legal advisers to determine whether and to what extent (a) Sukuk Certificates are legal investments for it, (b) Sukuk Certificates can be used as collateral for various types of financing; and (c) other restrictions apply to its purchase or pledge of any Sukuk Certificates.

(xi) No legal, financial, Sharia and tax advice

Each prospective Sukuk Holder should consult its own advisers as to legal, financial, tax, regulatory, sharia and related aspects of investment in the Sukuk Certificates. A Sukuk Holder's effective yield on the Sukuk Certificates may be diminished by the tax on that Sukuk Holder of its investment in the Sukuk Certificates.

(b) Specific Risk Factors

(i) Nature of PSIA and its scope of creating limited recourse obligations

The Sukuk Certificates issued to the Sukuk Holder represent an undivided interest solely in the Mudaraba Assets. Recourse to the Company is limited to the Mudaraba Assets and the proceeds of such Mudaraba Assets are the sole source of payments on the Sukuk Certificates. Sukuk Holders will otherwise have no recourse to any assets of the Company or any affiliates, officers, directors and employees of any of the foregoing entities in respect of any shortfall in the expected amounts due under the Mudaraba Assets.

(ii) Investment risk associated with subscription to the Sukuk Certificates

The Company cannot provide any assurance whatsoever that it will be able to choose, make and realize investments in any particular asset class or portfolio of asset classes. There can be no assurance that the investment in NBC Sukuk will be able to generate returns for its Sukuk Holders or that the returns will be commensurate with the risks of investing in the type of investments and transactions described herein. There can be no assurance that any Sukuk Holder will receive any distribution from the Sukuk Certificates. Partial or complete sales, transfers or other dispositions of investments which may result in a return of capital or the realization of gains, if any, are generally not expected to occur for a number of years after an investment is made. Accordingly, an investment in the NBC Sukuk should only be considered by persons for whom

long-term investment with no secondary market tradability is an appropriate component of a larger investment program and who can afford a loss of their entire investment.

Past activities of investment entities associated with the NBC Sukuk or the Company, provide no assurance of future success. In considering the performance information contained herein, prospective Sukuk Holders should bear in mind that past or estimated performance is not a guarantee, projection or prediction and is not necessarily indicative of future results. There can be no assurance that estimated returns will be achieved, that the NBC Sukuk will achieve comparable results, that the returns generated will equal or exceed those of other investment activities of the Company or its affiliates or the PSIA Manager will be able to implement its investment strategy or achieve its investment objectives.

Prospective Sukuk Holders should note that the performance of the NBC Sukuk will likely be, affected by macroeconomic forces. Accordingly, prospective Sukuk Holders should attach correspondingly qualified consideration to such investment performance information.

Before making an investment decision prospective Sukuk Holders should conduct such independent investigation and analysis (together with taking such professional advice as they deem appropriate under the circumstances) regarding the Company, the NBC Sukuk, the Mudaraba Assets and all other relevant persons and such market, economic and other factors as they deem appropriate to evaluate the merits and risks of an investment in NBC Sukuk and to determine whether such investment is fully consistent with their financial needs, objectives and condition, complies with and is consistent with all investment policies, guidelines and restrictions applicable to them and whether it is a fit, proper and suitable investment for them, notwithstanding the clear and substantial risks inherent in investing in or holding the Sukuk Certificates.

As part of such independent investigation and analysis, prospective Sukuk Holders must consider carefully all the information set out in this Information Memorandum.

The performance of the NBC Sukuk is subject to various risks which means that there can be no assurance that:

- the investment objectives of the NBC Sukuk will be achieved; or
- the principal investment made in the NBC Sukuk will remain intact; or
- there will be any profits on the Sukuk Certificates; or
- the Sukuk Certificates will win a reward or that a reward will produce, for the Sukuk Holder, a market related return in respect of that Sukuk Holder's holding of Sukuk Certificates.

(iii) Rate of return risks

Investment in the NBC Sukuk involves the risk that subsequent changes in market rate of return may adversely affect, both directly and/or indirectly, the value of the Mudaraba Assets and the extent of profit or expected profit thereunder or the redemption proceeds.

(iv) Exchange rate risks and exchange controls

The Company will pay principal investment (to the extent still intact) and profit (if realized) on the Sukuk Certificates in the Issuance Currency (as mentioned in the Sukuk Certificate). This presents certain risks relating to currency conversions if a Sukuk Holder's financial activity are denominated principally in a currency or currency unit (the **Sukuk Holder's Currency**) other than the Issuance Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Issuance Currency or revaluation of the Sukuk Holder's Currency) and the risk that authorities with jurisdiction over the Sukuk Holder's Currency may impose or modify exchange controls. An appreciation in the value of the Sukuk Holder's Currency relative to the Issuance Currency would decrease the Sukuk Holder's Currency equivalent market value of the Sukuk Certificates (including the Sukuk Holder's Currency equivalent yield on the Sukuk Certificates).

The Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, the Sukuk Holders may receive less profit or principal investment than expected, or no profit or principal investment.

(v) Sukuk Holders do not have a secondary market for their interests in Sukuk Certificates and so the Sukuk Certificates shall be illiquid investments that will not have a secondary market

The Sukuk Holders do not have a secondary market for the purpose of the sale of their interests in Sukuk Certificates and hence the Sukuk Certificates shall be illiquid investments that will not have a secondary market. Accordingly, Sukuk Certificates will not have any trading market when issued, and one will never develop. Therefore, the Sukuk Holders will only be able to redeem their Sukuk Certificates with the Company or will have to hold the Sukuk Certificates for the distribution thereunder and bear any losses that occur until (and including) such time or redemption or distribution.

(vi) Infrastructure projects and other projects

Investments in infrastructure projects and other projects involve high risks especially during the initial construction phase with the risk profile diminishing once the construction phase ends. There can be no certainty that a project will be completed on time or for the projected cost and any time delay or additional costs could adversely impact on the Sukuk Holder Profit Entitlement.

(vii) Competition Factors

It is possible that competitive products may be introduced. While the PSIA Manager believes that it is well positioned to meet this competition, there can be no assurance that competition will not adversely affect the performance of the Sukuk Certificates.

(viii) Legal Status of the PSIA and NBC Sukuk

The NBC Sukuk is not a separate legal entity and as such the Sukuk Holders are taking a risk on the Company and would be unsecured investors in the NBC Sukuk managed by the Company as the PSIA Manager in the event of the insolvency or liquidation of the Company.

(ix) Risks relating to issuance of Sukuk Certificates in currencies other than the AED

The Company may make a Sukuk Type in Issuance Currencies, which can be other than the AED, in which case any future payments of profit with respect to the Sukuk Type of the Sukuk Certificates will be denominated in the corresponding Issuance Currency while the Underlying investments may be in AED or in currencies other than Issuance Currency. The Issuance Currency equivalent of any profit paid on the Sukuk Certificates or received in connection with any future sale of the Sukuk Certificates in relation to the Sukuk Type could be adversely affected by the depreciation of the AED or currencies other than Issuance Currency against such Issuance Currency.

F. TAXATION

There could be material UAE tax consequences relating to the ownership, acquisition and disposal of Sukuk Certificates. The Sukuk Holders are advised to seek their own tax advice from their advisors as to the tax consequences which may arise in the UAE or any other jurisdiction in light of their individual circumstances as a result of the ownership, acquisition or disposal of the Sukuk Holders.

(i) Zakat payment on Sukuk Certificates

The tax and/or Zakat implications on the Rewards, the profit paid to each eligible Sukuk Holder and the principal investment (to the extent still intact) are the responsibility of the Sukuk Holder. The Company may assist the Sukuk Holder in providing the basis of the calculation and determining the Zakat payable with respect to the Sukuk Certificates in accordance with the applicable standards as interpreted by the Sharia Supervisory Board.

(ii) Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)

FATCA is US legislation that requires all Foreign Financial Institutions (“FFIs”) to regularly submit information on financial accounts held by US persons to the US IRS. On 17 June 2015, the UAE signed a Model 1B Intergovernmental Agreement with the US (“UAE-US IGA”) to improve international tax compliance and to implement FATCA. The UAE –US IGA was ratified pursuant to Federal Decree 9 of 2016. Accordingly, the UAE has agreed to adopt the rules to identify and report information about US accounts that meet the standards as set out in the UAE-US IGA.

Under FATCA, the Company is required to identify financial accounts that are held by either specified US persons or passive NFFEs with one or more controlling persons who are specified US persons and report certain financial account information to the relevant regulatory authorities.

The CRS is the agreed global standard for the automatic exchange of financial account information (“AEOI”). It was developed by the Organisation for Economic Co-operation and Development (“OECD”) in February 2014. The main aim of the CRS is to facilitate tax transparency by allowing CRS participating

jurisdictions to automatically exchange information obtained from local FIs on an annual basis with exchange partners where reportable persons are resident for tax purposes. Financial Account information can then be used by the receiving tax authorities to help ensure compliance by their taxpayers. The UAE signed the Convention on Mutual Administrative Assistance in Tax Matters ("MAC"), the Declaration of Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information ("MCAA") and the Unilateral Declaration in April 2017. Both the MAC and MCAA form the legal basis for the implementation of The Standard for Automatic Exchange of Financial Account Information ("AEOI") in Tax Matters, Second Edition ("OECD Standard") in the UAE. The MAC was ratified according to Federal Law No. 54 of 2018 and the MCAA according to Federal Law No. 48 of 2018. The UAE is one of over 100 countries that have signed up to the CRS.

Under the CRS, the Company is required to identify Financial Accounts that are held by an Account Holder that is a reportable person or by a passive NFE with one or more controlling persons who are reportable persons, and report certain financial account information on an annual basis to the relevant regulatory authorities.

G. ANTI- MONEY LAUNDERING CONSIDERATIONS

The following is intended as a general overview of Anti-Money Laundering (the **AML**) requirements adopted by the Company, which shall also be applicable to the Sukuk Certificates and the Sukuk Holders. This overview is of a general nature and describes the commitment of the Company towards AML and the AML framework adopted by the Company on the current legal and regulatory requirements. The same may be subject matter of amendment or change depending on the prevailing legal and regulatory requirements

(i) AML Compliance

The Company is committed to the highest standards of Anti-Money Laundering (AML) Compliance under the UAE law. The Company's AML policy (the **AML Policy**) is designed to ensure compliance with the requirements and obligations set out by UAE Federal Government, SCA and other international standards such as Financial Action Task Force (FATF) and Wolfsburg Group Principles.

The Company's AML Policy lays down the following guiding principles:

- Mandatory identification and verification of all customers, including beneficial ownership;
- Risk-intelligent approach for Customer Due Diligence;
- Timely identification, assessment and reporting of suspicious transactions;
- Compliance with Sanction requirements prescribed by SCA and United Nations;
- Periodic training for all employees with emphasis on incorporating a "regulatory compliance culture";
- Adherence to the Company's AML Program is the responsibility of every employee and the Company's commitment towards Anti-Money Laundering efforts is supported and led by Board of Directors and Management.
- Every prospective and existing Sukuk Holder will be subject to the requirements established by the Company in order to comply with the AML Policy.

A Board Level Compliance Committee (the "**Committee**") has been tasked by the Company's Board of Directors to oversee the implementation of the Company's AML Policy. In accordance with the requirements of SCA, the Committee shall designate a suitable experienced, and qualified Compliance Officer (with an independent reporting line to the Committee), with the overall responsibility of maintaining AML Policies, Procedures, and Systems effectively and thereby ensuring achievement of the Company's Compliance Obligations.

The Company management, employees, affiliates, and Sukuk Holders are required to strictly adhere to the requirements of the approved Anti-Money Laundering and Combating the financing of terrorism policy statement to prevent misuse of the Company's products and services for money laundering purposes.

(ii) Company's AML Framework

In line with the commitment outlined by the Company's Board of Directors, the Company has developed an AML Program that is centered on the premises of "Know Your Customer" (the **KYC**). Considering the Company's unique business model, the Company's comprehensive AML Program places special emphasis on the activities performed by the Company's Partners by incorporating the requirements of FATF Recommendation No. 17.

The Company's AML Policy is built on the following principles:

- Prior to initiating relationship with new customers, the Company shall ascertain the identity of Individuals through "Know Your Customer" identification verification procedures;
- In case of Juridical persons, the Company shall establish and verify the identity of the ultimate natural person (s) who owns the entity, controls the entity and its assets or on whose behalf the relationship is being established;
- The Company shall set up a comprehensive risk assessment system to ascertain the level of risk exposure considering product, payment method and customer;
- Customer accounts shall be continuously monitored to detect unusual/suspicious activity. The Company shall utilize adequate processes and systems in this regard. Once suspicious activity is identified, the Company shall report such customer details in accordance with the regulatory requirements;
- The Company shall not entertain any transactions with shell banks;
- The Company shall adhere to all applicable sanction restrictions as determined by the applicable regulations and United Nations. The Company shall monitor customer accounts against applicable sanction restrictions;
- Designated Compliance Officer shall incorporate and monitor necessary controls to ensure adherence with all applicable AML requirements;

- All employees (including trainees and temporary personnel) responsible for carrying out transactions and/or for initiating and/or establishing customer relationships must undergo Anti-Money Laundering training;
- The Company shall maintain all customer identity related documentation in accordance with requirements under the applicable regulations; and
- The Company shall extend complete cooperation to UAE Law Enforcement and Regulatory authorities on matters relating to Anti-Money Laundering and combating financing of terrorism.
- All the requirements of the Company's AML Program are well documented through a comprehensive set of policies and procedures which are updated at periodic intervals. As a result of such update or amendment, the Sukuk Holders or any prospective Sukuk Holders and their respective agents (if any) will be required to comply with the requirements communicated or notified by the Company in relation to their respective Sukuk Certificates.

MASTER CLIENT AGREEMENT**TERMS AND CONDITIONS IN RELATION TO THE SUKUK CERTIFICATES****Contents**

1.	DEFINITIONS AND INTERPRETATION	30
1.1.	Definitions	30
1.2.	Interpretation	35
2.	APPOINTMENT OF THE COMPANY AS THE PSIA MANAGER; ROLE OF THE SUKUK HOLDERS	36
2.1.	Appointment of PSIA Manager	36
2.2.	Role as the Sukuk Holder (Rabb al Maal)	36
3.	POWERS AND AUTHORITIES OF COMPANY	37
3.1.	General	37
3.2.	Power to appoint.....	37
3.3.	Obtaining finance for the Sukuk Certificates	37
3.4.	Exercise of voting rights	38
3.5.	No obligation to act; authority to refrain from acting	38
3.6.	Due diligence and utmost care	38
3.7.	Reliance on information.....	38
3.8.	Holding legal title to the Mudaraba Assets	38
3.9.	Separate Management of Mudaraba Assets.....	38
4.	LIABILITY OF COMPANY	38
4.1.	No general liability for loss of investment; indemnity in limited circumstances	38
4.2.	No general liability for obligations and claims relating to the Sukuk Certificates	39
4.3.	Declaration of a Promise to Purchase	39
4.4.	No guarantee of profits or that a Sukuk Holder will win a reward	39
	SHARIA MATTERS	40
5.	SHARIA COMPLIANCE	40
5.1.	Role of Sharia Supervisory Board	40
5.2.	Main functions.....	40
5.3.	Non-compliance	40
5.4.	Annual Sharia compliance report	41
5.5.	Sharia Review or Audit.....	41

INVESTMENT MATTERS.....	41
6. INVESTMENT POLICY	41
7. INVESTMENT OF THE MUDARABA ASSETS.....	42
8. VALUATION OF THE MUDARABA ASSETS.....	42
DISTRIBUTABLE PROFITS AND PAYMENT OF DISTRIBUTABLE PROFITS	42
9. DETERMINATION OF DISTRIBUTABLE PROFITS	42
9.1. Distributable Profits	42
9.2. Realization of Distributable Profits.....	42
9.3. Expenses of the Sukuk Certificates	43
9.4. Reporting and Disclosure	43
9.5. Profit sharing	43
9.6. Changes to the Profit Distribution Policy	43
10. REQUIREMENTS FOR SUKUK HOLDERS TO CLAIM SUKUK HOLDER PROFIT ENTITLEMENT	43
11. ON ACCOUNT PAYMENTS TO THE PSIA MANAGER	44
11.1. Entitlement of the PSIA Manager	44
11.3. Reconciliation Calculations	44
11.4. Reconciliation and claw-back of payments	44
11.5. Donation of Profit.....	44
12. CALCULATION AND PAYMENT OF PROFIT ENTITLEMENT	45
12.1. Timing of distributable profit calculation.....	45
12.2. Crediting of profit entitlements	45
12.3. Issue of additional Sukuk Certificates.....	45
12.4. Reconciliation when the audited financial statements are issued.....	46
12.5. Persons ceasing to be Sukuk Holders	46
REWARDS PROGRAM	47
13. REWARDS.....	47
14. DRAWS.....	47
15. NOTIFICATION OF THE REWARDS PROGRAMS AND REWARDS	47
16. UNCLAIMED REWARDS	47
ACCOUNTING MATTERS.....	48
17. FINANCIAL YEAR	48
18. SEPARATE ACCOUNTS	48
19. EXTERNAL AUDITOR	48

ISSUE AND PURCHASE OF SUKUK CERTIFICATES.....	48
20. ISSUE AND PURCHASE OF SUKUK CERTIFICATES.....	48
20.1. Application for Sukuk Certificates	48
20.2. General provisions as to how to buy	48
20.3. General authority to extend or limit application methods	48
20.4. Application procedures	49
20.5. Authority of the PSIA Manager to request additional information	49
20.6. Applications that are accepted	50
20.7. Allotment source	50
20.8. Minimum subscription	51
20.9. Delivery, form and execution of the Sukuk Certificates	51
20.10. Number of Sukuk Certificates allotted	51
20.11. Reward Sukuk Certificates	51
20.12. Delivery of allotted Sukuk Certificates	51
21. MINIMUM PURCHASE AMOUNTS	51
22. MAXIMUM HOLDING OF SUKUK CERTIFICATES	51
22.1. Maximum holding	51
23. PERSONS ENTITLED TO PURCHASE AND HOLD SUKUK CERTIFICATES.....	52
23.1. Who can purchase	52
23.2. On behalf of certain persons.....	52
23.3. Trustee arrangements	52
23.4. Joint applications.....	53
23.5. Children reaching maturity	53
24. REDEMPTION OF SUKUK CERTIFICATES.....	53
24.1. Minimum Holding Period.....	53
24.2. Minimum Redemption Quantity	53
24.3. Redemption Request.....	54
24.4. Redemption or purchase.....	54
24.5. Forced redemption.....	54
24.6. Determination of the Redemption Amount.....	54
25. PAYMENT METHODS ON REDEMPTION	54
25.1. Payment of Redemption Amounts	54
25.2. Redemption payment by cheque	55

25.3.	Electronic transfer of Redemption Amounts.....	55
25.4.	Redemption payment by cash	55
26.	REDEMPTION REQUESTS FROM PARTICULAR CATEGORIES OF PERSONS	56
26.1.	Children and Mentally Disordered Persons.....	56
26.2.	Redemption applications from joint Applicants	56
26.3.	Redemption applications from bankrupts	56
26.4.	Redemption upon death of the Sukuk Holder	57
26.5.	Additional Documents of identity as part of the Redemption Process.....	57
	TRANSFER OF SUKUK CERTIFICATES	57
27.	GENERAL CONDITIONS ON TRANSFERS.....	57
27.1.	Transfer of Sukuk Certificates	57
27.2.	Transfers by and to the Company.....	57
	ENCUMBERING OF SUKUK CERTIFICATES.....	57
28.	ENCUMBERING OF SUKUK CERTIFICATES.....	57
	PAYMENT IN CASE OF DEATH	58
29.	PAYMENT AGAINST SATISFACTORY EVIDENCE	58
29.1.	Evidence of authority	58
29.2.	No liability.....	58
29.3.	Law applicable on Sukuk Holder's death.....	58
29.4.	Death of a Sukuk Holder once a Redemption Request has been submitted	58
	MATTERS RELATING TO HOLDERS OF SUKUK CERTIFICATES	59
30.	SUKUK HOLDER LIABILITY	59
	DURATION OF THE NBC SUKUK	59
31.	TERM AND WINDING UP	59
31.1.	Term.....	59
31.2.	Winding up	59
	PERSONS UNDER DISABILITY; PERSONS UNABLE TO WRITE	60
32.	PERSONS UNDER DISABILITY	60
33.	PERSONS UNABLE TO WRITE	60
34.	PAYMENT TO CHARITY IF UNABLE TO OBTAIN VALID DISCHARGE	60
35.	MANDATORY REDEMPTION OF SUKUK CERTIFICATES	61
35.1.	Events of Mandatory Redemption	61
35.2.	Acknowledgment of not being an Unauthorized United States Person	62

35.3.	Procedure for Mandatory Redemption	63
35.4.	Set-off of Liability	63
35.5.	Exclusion of Liability	63
36.	RECTIFICATION OF ERRORS	63
	INDEMNITY OUT OF MUDARABA ASSETS	64
37.	INDEMNITY IN FAVOUR OF COMPANY	64
	SECRECY	64
38.	OBLIGATION OF SECRECY	64
	NOTICES, AVAILABILITY OF DOCUMENTS AND LAW AND JURISDICTION	64
39.	NOTICES	64
40.	AVAILABILITY OF THE DOCUMENTS	65
41.	AMENDMENTS AND EXTENSIONS OF TERM	65
41.1.	Scope of Amendments	65
41.2.	Procedure for Reserved Matter Amendments	65
42.	PSIA MANAGER INCENTIVE	66
43.	LAW AND JURISDICTION	67

TERMS AND CONDITIONS OF THE SUKUK CERTIFICATES

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In these Terms and Conditions and in the provisions of this Master Client Agreement, unless the context otherwise requires:

AED means the lawful currency of the UAE;

Additional Terms and Conditions means the additional terms and conditions in relation to each Sukuk Type as set out in the Application and/or published by the Company (either in the accompanying written material or on the Company website or electronically) in relation thereto.

Anticipated Profit means the indicative Sukuk Holder Profit Entitlement of the Sukuk Holder in the Distributable Profit as per the Profit-Sharing Ratios, as set out in the Additional Terms and Conditions (specific to the Sukuk Type), subject to Reference Period Incentive.

Applicant means the person or entity executing the Application to the Company.

Application means an application form executed or deemed to have been executed by a party naming the prospective Sukuk Holder through physical form or electronically, in order to subscribe to Sukuk Certificates, in such form and content as the PSIA Manager may from time to time specify.

Approved Outlet means an outlet approved and authorized by the PSIA Manager pursuant to an Approved Outlet Agreement whereby such outlet will be authorized to deal with certain administrative functions relating to the application for and redemption of, the Sukuk Certificates.

Approved Outlet Agreement means an agreement between the Company and an Approved Outlet.

External Auditor means external independent auditors, in relation to the NBC Sukuk, as may be appointed by the Company and/or PSIA Manager in accordance with the Terms and Conditions, Additional Terms and Conditions (specific to the Sukuk Type), and updated on the PSIA Manager's website from time to time.

Board of Directors means the board of directors of the Company (subject to further amendment (if any), which shall be updated on the website of the Company).

Business Day means a day when commercial banks are open for business in the UAE.

Companies Law means the commercial companies law of the UAE being Federal Decree Law No. 32 / 2021 as amended from time to time.

Constructive Liquidation means assessing the value of Mudaraba Assets and their impact on profit and loss of the NBC Sukuk using generally accepted accounting principles, rather than determining profit and loss through the direct sale (actual liquidation) of the Mudaraba Assets.

Contribution and Expense Allocation Policy means the contribution and expenses allocation policy in relation to the NBC Sukuk, as determined by the Company, as PSIA Manager, in the best interest of the Sukuk Holders.

CRS means the agreed global standard for the automatic exchange of financial account information (“AEOI”) developed by the Organisation for Economic Co-operation and Development (“OECD”) in February 2014.

Declaration of a Promise to Purchase means that Declaration entered into by the Company in favour of the Sukuk Holders dated as of the initial issue date in which it has promised to purchase for the Redemption Amount:

- (a) Sukuk Certificates which are the subject of a Redemption Request (provided the requested redemption is made in accordance with the Terms and Conditions, Additional Terms and Conditions (specific to the Sukuk Type); and
- (b) All issued Sukuk Certificates on the occurrence of either of:
 - (i) the winding-up of the NBC Sukuk in accordance with Clause 30.2 of the Terms and Conditions; or
 - (ii) a final and non-appealable judgment being issued against the PSIA Manager in accordance with Clause 43 of the Terms and Conditions.

Distributable Profit means, for any Financial Year, the profit available for distribution to the PSIA Manager (as Mudareb) and Sukuk Holders (as Rabb al-Maal) according to the Profit-Sharing Ratios, as determined in the audited income statement of NBC Sukuk and calculated as follows:

- (a) Total income from Mudaraba Assets;
- (b) Less: Direct expenses incurred in relation to the NBC Sukuk;
- (c) Less: Expenses allocated to the NBC Sukuk in accordance with Clause 9.3 of these Terms and Conditions;
- (d) Less: reserves (if any) to maintain a certain level of return on investment and to protect against future loss (investment risk), as determined by the PSIA Manager under the guidance of Sharia Supervisory Board.

Eligible Sukuk Holders means such Sukuk Holders that are eligible for the purpose of receiving the Sukuk Holder Profit Entitlement and for the purpose of participating in the Rewards Program in accordance with the Additional Terms and Conditions (specific to the Sukuk Type) and subject to Profit Distribution Policy and the Rewards Program Policy, as determined by the Company and / or the PSIA Manager.

Expected Returns means the expected profit, with respect to the Sukuk Certificates, which the Company (as Mudareb) expects to generate from the Mudaraba Assets.

FATCA means the US legislation which requires all Foreign Financial Institutions (“FFIs”) to regularly submit information on financial accounts held by US persons to the US IRS.

Final Reference Period Incentive means the following final Reference Period the incentive to be distributed to the PSIA Manager out of the Mudaraba Assets upon the liquidation and winding-up of the Sukuk Certificates and which shall be equal the excess of the then value of the Mudaraba Assets over and above the aggregate of:

- (a) total capital contributed and still invested by the Sukuk Holders at the time of the winding-up (being the aggregate of the face value of the then issued Sukuk Certificates); and
- (b) the accrued and unpaid Sukuk Holder Profit Entitlement payable to the Sukuk Holders at the time of the winding-up subject to the maximum of the Anticipated Profit.

Financial Year has the meaning given to it in Clause 17.

Guardian means a person who has the legal right to represent and act on behalf of a Minor pursuant to UAE laws and regulation, which by default include the Minor’s father.

Investment Policy means investment policy statement in relation to the NBC Sukuk, as determined by the PSIA Manager, as Mudareb, in the best interest of the Sukuk Holders.

Issuance Currency means the currency in which the Sukuk Type have been duly issued by the PSIA Manager, as set out in the Additional Terms and Conditions (specific to the Sukuk Type).

Issuance Unit means the minimum unit of each Sukuk Type to be issued by the PSIA Manager, as set out in the Additional Terms and Conditions (specific to the Sukuk Type), which for avoidance of doubt may be in whole or fractional units thereof.

Mentally Disordered Person means a person who is legally incapable, by reason of mental disorder, of managing and administering his/her property and affairs.

Minimum Holding Period means the minimum period for which the Sukuk Holder of each Sukuk Type needs mandatorily hold the subject Sukuk Certificates in accordance with period, set out in the Additional Terms and Conditions (specific to the Sukuk Type).

Minimum Holding Quantity means the minimum quantity of each Sukuk Type which needs to be mandatorily held by a Sukuk Holder, as set out in the Additional Terms and Conditions (specific to the Sukuk Type).

Minimum Issuance Quantity means the minimum quantity of each Sukuk Type to be issued by the PSIA Manager to the Sukuk Holder, as set out in the Additional Terms and Conditions (specific to the Sukuk Type).

Minimum Redemption Quantity means the minimum quantity of each Sukuk Type, which can be redeemed by a Sukuk Holder, as set out in the Additional Terms and Conditions (specific to the Sukuk Type), which for avoidance of doubt may be whole or fractional Sukuk Certificates thereof.

Minor means a person whose legal age is less than 21.

Mudaraba Assets means the net assets owned by the Sukuk Holders pursuant to their Sukuk Certificates at any given time, excluding assets and related liabilities owned and managed by the Company and/or PSIA Manager that are not associated with NBC Sukuk.

PSIA Manager means the PSIA Manager acting in the capacity as the Mudareb and sharing in the profits of the NBC Sukuk in accordance with the Profit-Sharing Ratio.

PSIA Manager Profit Entitlement means the actual profit entitlement of the PSIA Manager in the Distributable Profit in accordance with the Profit-Sharing Ratios under the Sukuk Type for the Reference Period.

On-Account Amounts shall have the same meaning as ascribed to such term in Clause 11 of these Terms and Conditions.

Ordinary Amendments shall have the same meaning as ascribed to such term in Clause 41 of these Terms and Conditions.

Rewards Program means the randomly based draw for ascertaining which Sukuk Holders will win rewards.

Rewards Program Policy means the Rewards Program Policy, as determined by the PSIA Manager at its sole discretion as, as Mudareb, in the best interest of the Sukuk Holders.

Profit Distribution Policy means the profit distribution policy in relation to the NBC Sukuk and the Sukuk Type, the mechanism to distribution between the PSIA Manager as the Mudareb and the Sukuk Holders published through the Additional Terms and Conditions on the website of the Company and / or the PSIA Manager.

Profit-Sharing Ratios means the profit-sharing ratios in accordance with which the respective entitlement of the Sukuk Holders and the PSIA Manager under a Sukuk Type shall be determined, as definitively set out in the Additional Terms and Conditions (specific to the Sukuk Type).

Profit Threshold in relation to the Sukuk Holder Profit Entitlement, means the threshold, as determined and advised by the PSIA Manager either on the Additional Terms or on their website in relation to the Sukuk Type, above which the PSIA Manager shall convert the Sukuk Holder Profit Entitlement and issue additional Sukuk Certificates in lieu of such Sukuk Holder Profit Entitlement.

Rabb al Maal means the Sukuk Holders in their capacity as fund providers to the PSIA Manager under the Mudaraba.

Protector means, a person authorized in compliance with relevant rules and regulations in the UAE to act on behalf of a Mentally Disordered Person.

Redemption Amount means the amount payable (after any Redemption Fee) in respect of Sukuk Certificates which are being redeemed and which shall be the number of Sukuk Certificates being redeemed multiplied by the Redemption Price.

Redemption Request means the request for redemption (either physically or electronically) to be submitted to the PSIA Manager in such form and content as the PSIA Manager shall from time to

time determine in which a Sukuk Holder requests the redemption of all or part of its holding of Sukuk Certificates.

Redemption Policy means redemption policy in relation to the Sukuk Certificates, as determined by the PSIA Manager, as Mudareb, in the best interest of the Sukuk Holders as published on the website from time to time for each Sukuk Type.

Redemption Price means, for each Sukuk Certificate, a price based on the Mudaraba Assets declared by the PSIA Manager from time to time subject to the Profit Threshold (and taking into account, amongst other matters, Clause 9.2 of the Terms and Conditions and the right of the PSIA Manager to the Reference Period Incentive and the Final Reference Period Incentive, as applicable).

Reference Period with respect to the determination of the Distributable Profit and the corresponding Sukuk Holder Profit Entitlement, the PSIA Manager Profit Entitlement and the Reference Period Incentive (if any) / Final Reference Period Incentive (if any) (as the case may apply) under a Sukuk Type.

Reference Period Incentive except for the Final Reference Period Incentive, means the payment (if applicable) that may be made to the PSIA Manager out of the Distributable Profits in addition to the PSIA Manager Profit Entitlement, as described in Clause 11.1 of the Terms and Conditions.

Reserved Matters shall have the same meaning as ascribed to such term in Clause 41.1 of these Terms and Conditions.

Reserved Matter Amendment shall have the same meaning as ascribed to such term in Clause 41.2 of these Terms and Conditions.

Sale Undertaking means the grant of a call option provided by the Sukuk Holders under the Application or by the PSIA Manager (for and on behalf of Sukuk Holders) in favor of the Company (in its independent corporate capacity) to purchase all of the Mudaraba Assets then remaining and redeeming the Sukuk Holder's outstanding Sukuk Certificates for the Redemption Amount in the event that the Sukuk Certificates is intended to be wound up, as determined by the Company and / or the PSIA Manager.

SCA means the Securities and Commodities Authority of the UAE.

Sharia Supervisory Board means the board constituted to monitor Sharia compliance by the Sukuk Certificates as described in Clause 5.

Sukuk Certificate means an investment certificate that represents a share in the pool of funds received from the Sukuk Holders and which are invested and managed by the PSIA Manager by way of Mudaraba in accordance with the Sharia principles, the Terms and Conditions, the provisions of this Master Client Agreement and applicable regulations for PSIA issued by the SCA.

Sukuk Holder means a holder of a Sukuk Certificates.

Sukuk Holder Account means the account maintained on the system of the PSIA Manager in relation to each Sukuk Holder.

Sukuk Holder Profit Entitlement means the actual profit entitlement of the Sukuk Holder in the Distributable Profit in accordance with the Profit-Sharing Ratios under the Sukuk Type subject to the Reference Period Incentive.

Sukuk Type means a specific type of Sukuk Certificates issued by the PSIA Manager, which have distinct features and which are governed by the Additional Terms and Conditions (specific to the Sukuk Type) in addition to the considerations set out in this Master Client Agreement and these Terms and Conditions.

Terms and Conditions means these term and conditions set out in this Master Client Agreement.

Trustee/Trustees means a person or a firm that hold(s) and administer(s) any assets (e.g. Sukuk) for the benefit of a third party.

UAE means the United Arab Emirates.

Valuation Policy means valuation policy in relation to the Mudaraba Assets as determined by the PSIA Manager and set out under Clause 8 below

1.2. Interpretation

Unless expressed to the contrary or the context otherwise requires, the provisions of this Clause 1.2 shall apply:

- (a) an amendment includes a supplement, novation or re-enactment and any grammatical derivative of the word "amend" is to be construed accordingly;
- (b) assets include present and future properties, revenues, book-debts and other debts, claims and rights (including amongst other matters, intellectual property rights) and rights of every description;
- (c) including is not limiting and means including without limitation;
- (d) a reference to a provision of any law or statute is a reference to that provision as amended or re-enacted;
- (e) a reference to this Master Client Agreement or another agreement, document or instrument is a reference to this Master Client Agreement or other agreement, document or instrument as amended in accordance with its terms or which has been replaced as provided in accordance with the provisions of this Master Client Agreement or such other agreement, document or instrument;
- (f) references to clauses, schedules and paragraphs are a reference to clauses, schedules and paragraphs of this Master Client Agreement in which such references appear;
- (g) references to clause, schedule and paragraph headings are for ease of reference only and shall not be taken into account for the purposes of interpretation or construction of any provision of this Master Client Agreement;

- (h) a reference to a **person** includes any natural person, firm, company, corporation, trust, agency or partnership and any governmental ministry, department, agency or authority (whether or not having a separate legal personality) or any two or more of the foregoing;
- (i) a reference to the singular shall include a reference to the plural, and vice versa;
- (j) a reference to one gender shall be taken as a reference to any other gender;
- (k) a reference to time of day is a reference to UAE time;
- (l) a reference to a month or a year is a reference to a calendar month or year calculated by reference to the Gregorian calendar;
- (m) a word or term defined in these Terms and Conditions which is used in any notice or other communication given pursuant or in connection with these Terms and Conditions, shall have the same meaning attributed to it as attributed to it in these Terms and Conditions;
- (n) any approval or agreement or consent or notice required to be given, or which may be given, by the Company shall only be valid if made in writing and signed by a duly authorized representative of the Company; and
- (o) save where the context otherwise requires, references to any person shall include references to its successors and permitted transferees and assigns.

THE ROLES AND FUNCTIONS OF THE SUKUK HOLDERS (AS RABB AL MAAL) AND THE COMPANY (AS THE PSIA MANAGER)

2. APPOINTMENT OF THE COMPANY AS THE PSIA MANAGER; ROLE OF THE SUKUK HOLDERS

2.1. Appointment of PSIA Manager

By submitting the Application to the PSIA Manager, an Applicant irrevocably appoints the PSIA Manager as its Mudareb in relation to:

- (a) the investment and management of the amounts paid by the Applicant for Sukuk Certificates; and
- (b) holding the legal title to the Mudaraba Assets; and

in accordance with and subject to these Terms and Conditions and the Additional Terms and Conditions (specific to the Sukuk Type). If the PSIA Manager, as Mudareb, intends to accept the Applicant it will signify its acceptance by issuing the Sukuk Certificates.

2.2. Role as the Sukuk Holder (Rabb al Maal)

Each Sukuk Holder agrees that:

- (a) they are an investor (*Rabb al Maal*) under the Sukuk Certificates and, in this capacity, have no right to be engaged or involved in the management or investment of the Mudaraba Assets or in the operation of the Sukuk Certificates or any of the Mudaraba Assets; and
- (b) the Sukuk Certificates being offered under this Master Client Agreement are investment certificates (*Sukuk Certificates*) based on the principles of Mudaraba.

3. POWERS AND AUTHORITIES OF COMPANY

3.1. General

Within the limits described in Clauses 5, 6 and 7, the PSIA Manager shall have complete and full discretion and authority to manage and take whatever action it deems necessary to receive, invest and manage the Mudaraba Assets. In this regard each Sukuk Holder authorizes the PSIA Manager to take such action and to exercise such rights, remedies, powers and discretions as may be required by the PSIA Manager to fulfil its obligations as the PSIA Manager towards the Sukuk Holders.

3.2. Power to appoint

The PSIA Manager has the full power to appoint any of its officers and employees or any third party as it may consider appropriate, to perform certain activities and functions, whether or not such activities or functions require or involve the PSIA Manager's judgment or discretion.

Without limiting these powers, this power permits the PSIA Manager, from time to time, to appoint and remove (and fix the remuneration of) persons such as custodians and administrators.

From time to time the PSIA Manager may appoint a person or persons by power of attorney (or such other authority document as it considers appropriate) to be its attorney and/or agent with such powers, authorities and discretions as the PSIA Manager thinks fit. The PSIA Manager may from time to time revoke such appointments.

The PSIA Manager shall remain liable for the acts or omissions of any of its agents, attorneys, officers or employees, sub-delegates or sub-agents who are appointed or to whom any such delegation is made.

3.3. Obtaining finance for the Sukuk Certificates

The PSIA Manager may raise money in a Sharia compliant manner on behalf of the Sukuk Certificates and provide security and give guarantees if, in good faith, it considers that it is necessary or desirable to do so in the general interests of the Sukuk Holders or for the purposes of conducting the investment, management or other operations of the Mudaraba Assets in accordance with these Terms and Conditions, the Additional Terms and Conditions (specific to the Sukuk Type) and the provisions of this Master Client Agreement, including the redemption of any Sukuk Certificates from time to time.

3.4. Exercise of voting rights

If any of the Mudaraba Assets consist of shares or other Mudaraba Assets that have voting rights, the PSIA Manager is fully authorized to vote or not to vote those rights in such manner as it deems appropriate.

3.5. No obligation to act; authority to refrain from acting

The PSIA Manager is not obliged to take any action or exercise any rights, remedies, powers or discretions under or pursuant to any of the Mudaraba Assets. In addition, the PSIA Manager may refrain from acting in relation to any of the Mudaraba Assets until it is satisfied that it will not incur any liability in taking such action.

3.6. Due diligence and utmost care

The PSIA Manager as Mudareb and Trustee is obliged to act with due diligence and with the utmost care in safeguarding and preserving the Mudaraba Assets. In addition, the PSIA Manager is responsible for managing the Mudaraba Assets in a professional manner and for taking investment decisions in a prudent manner in line with common market practice.

3.7. Reliance on information

The PSIA Manager may rely on any information, communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper person and, in relation to legal or other professional matters, may rely on the opinions and statements of any legal or other professional advisers which it selects or approves. Notwithstanding the above, the PSIA Manager must act with due diligence and necessary care.

3.8. Holding legal title to the Mudaraba Assets

By signing and delivering a completed Application to PSIA Manager, an Applicant:

- (a) irrevocably appoints the PSIA Manager as the person which shall hold the legal title to the Mudaraba Assets itself or through a nominated legal entity for the benefit of the Sukuk Holders; and
- (b) confirms that these instructions shall be irrevocable whilst the Applicant is a Sukuk Holder on the basis that any attempt to cancel such instructions will cause irreparable damage to the Sukuk Certificates and the other Sukuk Holders.

3.9. Separate Management of Mudaraba Assets

The Sukuk Holders understand that the PSIA Manager shall manage the Mudaraba Assets separately from its own monies.

4. LIABILITY OF COMPANY**4.1. No general liability for loss of investment; indemnity in limited circumstances**

The PSIA Manager will not be liable to any Sukuk Holder for any loss to their investment to the extent that such loss occurs as a result of the PSIA Manager discharging its duties in the ordinary course but provided the PSIA Manager is not grossly negligent or in willful default of its duties.

4.2. No general liability for obligations and claims relating to the Sukuk Certificates

To the fullest extent permitted by law, the Company is not under any personal liability for the satisfaction of any debt, liability, obligation or claim arising out of or in connection with any contract or other obligation of the Sukuk Certificates.

If the Company (in any capacity) is held personally liable to any person in respect of any such debt, liability, obligation or claim incurred by or on behalf of the Sukuk Certificates, or any action taken or omitted in connection with the Sukuk Certificates, then, to the fullest extent permitted by law, the Company is entitled to be indemnified and reimbursed out of the Mudaraba Assets to the full extent of:

- (a) such liability; and
- (b) the costs of any litigation, other proceedings or other action that determines such liability.

The Company has the right to be indemnified and reimbursed out of the Mudaraba Assets for all expenses, costs and liabilities that it incurs in acting as the PSIA Manager. Without limitation, these expenses or liabilities include those that Company may incur or which may be incurred by the Company in establishing the Sukuk Certificates or in bringing or defending any action or suit in respect of the Sukuk Certificates or the provisions of this Master Client Agreement.

The indemnity does not apply to circumstances where the loss has arisen out of the PSIA Manager's breach of contract, gross negligence or willful default.

4.3. Declaration of a Promise to Purchase

The Company has entered into a Declaration of a Promise to Purchase in which it has promised to purchase for the applicable Redemption Amount:

- (a) Sukuk Certificates which are the subject of a Redemption Request (provided the requested redemption is made in accordance with the Terms and Conditions, the Additional Terms and Conditions (specific to the Sukuk Type);
- (b) All issued Sukuk Certificates on the occurrence of either of:
 - (i) the winding-up of the NBC Sukuk in accordance with Clause 31.2 of the Terms and Conditions; or
 - (ii) a final and non-appealable judgment being issued against the PSIA Manager in accordance with Clause 43 of the Terms and Conditions.

4.4. No guarantee of profits or that a Sukuk Holder will win a reward

In order to protect the investments by the Sukuk Holders, the Company (as Mudareb) shall provide its reasonable care to the Sukuk Holders' best interest, acts in good faith and shall administer the investment transaction(s) with the same degree of care as it exercises with regard to similar transaction(s) which it would administer for its own account.

The Company (including in its capacity as the PSIA Manager) shall exercise its best efforts to generate the Expected Returns but does not guarantee the payment of any profits on the Sukuk Certificates. The extent to which any profits will be payable will depend upon the profitability of the PSIA.

The Company gives no assurance or guarantee that a Sukuk Holder will win a reward or that a reward will produce, for the Sukuk Holder, a market related return in respect of that Sukuk Holder's holding of Sukuk Certificates.

SHARIA MATTERS

5. SHARIA COMPLIANCE

5.1. Role of Sharia Supervisory Board

All activities undertaken by the Company acting as the PSIA Manager shall be in compliance with the principles of Sharia as determined by the Sharia Supervisory Board, which shall also regularly monitor such compliance. The decisions and pronouncements of the Sharia Supervisory Board shall be binding on the PSIA Manager, the Company or any other stakeholder dealing with the NBC Sukuk.

5.2. Main functions

The functions of the Sharia Supervisory Board in relation to the Sukuk Certificates shall include:

- (a) Participating with the officers of the Company in settling formats for contracts, agreements and operations in relation to all of the PSIA's transactions; reviewing contracts to be entered into by the Company as the PSIA Manager and all this being with the object of ensuring conformity of the said contracts, agreements and operations with the provisions of the Sharia.
- (b) Opining on the transactions of the NBC Sukuk placed before it by the Board of Directors or the management of the Company and/or PSIA Manager.
- (c) Submitting to the Board of Directors any advice it deems appropriate on any matter relating to the transactions of the NBC Sukuk.
- (d) Submitting its reports and observations periodically or whenever required to each of the Chief Executive Officer and the Board of Directors.

5.3. Non-compliance

If the Sharia Supervisory Board rules that an investment or any other activity performed by the Company in its capacity as the PSIA Manager of the Sukuk Certificates has not been in compliance with the Sharia or its policies, rules, guidelines, rulings or decisions, it may impose such sanctions as it deems appropriate, including directing that all profits from the applicable investment must be donated to charity.

To the extent that such non-compliance is attributable to the breach of contract, gross negligence or willful default of the PSIA Manager, the PSIA Manager must indemnify the NBC Sukuk for any actual and direct losses and damages (excluding opportunity or indirect losses and damages) that the Sukuk Holders directly suffers from such non-compliance.

5.4. Annual Sharia compliance report

At the end of each Financial Year, the Sharia Supervisory Board shall submit to the Board of Directors of the Company a written report confirming that the activities of the PSIA Manager presented to the Sharia Supervisory Board in relation to the NBC Sukuk during that Financial Year have been in compliance with its policies, rules, guidelines and decisions. If there have been instances of non-compliance, the Sharia Supervisory Board shall detail them and specify whether:

- (a) they are non-material; or
- (b) they are material and its decision as to what action should be taken (including the donation of any prohibited profits to charity).
- (c) The report shall be in a format required by the regulation applicable on the NBC Sukuk and PSIA Manager

5.5. Sharia Review or Audit

The Sharia Supervisory Board shall determine the appropriate Sharia audit requirements in order to ensure Sharia compliance of the Sukuk Certificates in accordance with the applicable regulations.

INVESTMENT MATTERS

6. INVESTMENT POLICY

In relation to the Sukuk Certificates all investment shall be carried out by the PSIA Manager, in accordance with the Investment Policy as provided below:

The general investment objective of the Mudaraba is to generate Expected Returns while preserving capital and maintaining an adequate level of liquidity. The specific objectives of the NBC Sukuk that may be covered under the Investment Policy, amongst other things, will be as follows:

- (a) Invest in Sharia compliant investment opportunities, in a socially responsible and ethical manner;
- (b) Maintain low to medium risk at an overall portfolio of Mudaraba Assets;
- (c) Diversified Mudaraba Assets across range of asset classes and geographies in order to increase the returns and reduce overall portfolio risk;
- (d) To perform in the best possible manner to achieve the Expected Returns;

- (e) To ensure that all the activities associated with the NBC Sukuk comply with the risk management framework of the PSIA Manager;
- (f) Utilize shariah compliant leverage diligently to enhance investment returns; and
- (g) Maintain appropriate level of liquidity at all times to cater to PSIA obligations, including Redemption Requests of the Sukuk Holders;

The Investment Policy and related procedures to be adopted by the Company and/or the PSIA Manager, will be subject to the approval of the Board of Directors of the Company and the Sharia Supervisory Board.

7. INVESTMENT OF THE MUDARABA ASSETS

The allocation of the proceeds and the investment pertaining to the Mudaraba Assets shall be in accordance with the Investment Policy, as determined by the Company in the interest of the Sukuk Holders.

8. VALUATION OF THE MUDARABA ASSETS

NBC Sukuk's assets and liabilities shall be recorded and valued by the PSIA Manager in accordance with applicable International Financial Reporting Standards as disclosed in the accounting policies and other disclosures in the audited annual financial statements of NBC Sukuk.

The accounting policies will be reviewed annually and any changes will be approved by the PSIA Manager's Board Audit Committee. Further, the PSIA Manager has established a Valuation Committee for the NBC Sukuk to ensure that the values used in the preparation of the financial statements and valuation of the NBC Sukuk Assets are representative of their fair value in accordance with the International Financial Reporting Standards.

DISTRIBUTABLE PROFITS AND PAYMENT OF DISTRIBUTABLE PROFITS

9. DETERMINATION OF DISTRIBUTABLE PROFITS

9.1. Distributable Profits

Subject to Clause 9.2 of the Terms and Conditions, in any Financial Year, the Sukuk Holder Profit Entitlement and the PSIA Manager Profit Entitlement shall be calculated by reference to the Profit-Sharing Ratios for the Reference Period and subject to the Additional Terms and Conditions (specific to the Sukuk Type) in relation to the Sukuk Type and in accordance with the Profit Distribution Policy.

9.2. Realization of Distributable Profits

The Sukuk Holder Profit Entitlement will only be determined and distributed in accordance with the Profit Distribution Policy only if there is a realization of the Distributable Profit (either through actual or Constructive Liquidation), and subject to such amounts being included in the calculation of Distributable Profit for the Financial Year in which they are realized. The Sukuk Holders

recognize and agree that on a winding-up of the NBC Sukuk as described in Clause 31.2, the Final Reference Period Incentive may be payable to the PSIA Manager.

9.3. Expenses of the Sukuk Certificates

In calculating the Distributable Profit, the allocation of the expenses of the NBC Sukuk shall be done in accordance with the Contribution and Expense Allocation Policy after obtaining the approval of the Sharia Supervisory Board (as detailed in the Contribution and Expense Allocation Policy).

9.4. Reporting and Disclosure

At the end of each Financial Year, disclosure shall be made by the PSIA Manager:

- (a) with respect to the Distributable Profit for the Financial Year; and
- (b) any other disclosure(s) required by applicable laws and regulations.

9.5. Profit sharing

Subject to Clause 9.1 of the Terms and Conditions, Distributable Profits will be shared in accordance with the Profit-Sharing Ratios.

9.6. Changes to the Profit Distribution Policy

If there is any change proposed to the Profit Distribution Policy, PSIA Manager shall notify the Sukuk Holders before the start of the new Mudaraba term/cycle, in compliance with applicable laws and regulations, and will publish the relevant details on the Company's website.

10. REQUIREMENTS FOR SUKUK HOLDERS TO CLAIM SUKUK HOLDER PROFIT ENTITLEMENT

Any Sukuk Holder will be entitled to profit entitlement if the Sukuk Holder owns that Sukuk Certificate for any part of a Financial Year and subject to such Sukuk Holder being an Eligible Sukuk Holder.

If the Sukuk Certificates are redeemed during a Financial Year, the Sukuk Holder Profit Entitlement of an Eligible Sukuk Holder will reflect that part of the Financial Year for which it was held by the Eligible Sukuk Holder. The Sukuk Holder Profit Entitlement will be at the end of the Financial Year as provided in Clause 12 (and with any adjustment as provided in Clause 12.4) and not when the Sukuk Certificates are redeemed, if redemption occurs part way through a Financial Year.

Any Sukuk Holder Profit Entitlement of an Eligible Sukuk Holder that is paid as described above but after the person has redeemed the applicable Sukuk Certificates, shall be credited to such person's Sukuk Holder Account of such Eligible Sukuk Holder.

Any on account profit payments made to the Sukuk Holders during the Financial Year shall be set off against the Sukuk Holder Profit Entitlement determined at the end of the Financial Year.

11. ON ACCOUNT PAYMENTS TO THE PSIA MANAGER

11.1. Entitlement of the PSIA Manager

In accordance with the Profit Distribution Policy and subject to these Terms and Conditions and the Additional Terms and Conditions of the Sukuk Type, the PSIA Manager shall be entitled to withdraw funds from Mudaraba Assets with respect to the Reference Period, certain amounts of money on account of their entitlement to receive the future PSIA Manager Profit Entitlement and/or the Reference Period Incentive and/or the Final Reference Period Incentive (as the case may apply) (the **On-Account Amounts**) provided that the PSIA Manager shall be obliged to reconcile the On-Account Amounts against the actual entitlement of the PSIA Manager in relation to the PSIA Manager Profit Entitlement and/or the Reference Period Incentive (if any) and/or the Final Reference Period Incentive (if any) (as the case may apply) with respect to the Reference Period, as contemplated under Clause 11.3 of the Terms and Conditions.

11.2. Recording of the On-Account Amounts

The Sukuk Holders agree that the Company shall duly account for the withdrawal of such On-Account Amounts subject to the reconciliation of the withdrawal amounts, as contemplated under Clause 11.3 of the Terms and Conditions.

11.3. Reconciliation Calculations

At the end of each Financial Year, the PSIA Manager shall be irrevocably obliged to reconcile the On-Account Amounts paid on account to the PSIA Manager (as set out in Clause 11.1 of these Terms and Conditions) against the actual entitlement of the PSIA Manager in relation to the PSIA Manager Profit Entitlement and/or the Reference Period Incentive (if any) and/or the Final Reference Period Incentive (if any) (as the case may apply) with respect to the Reference Period.

11.4. Reconciliation and claw-back of payments

If based on the audited financial statements of the Sukuk Certificates, after taking into account the On-Account Amounts to the PSIA Manager, there is still a balance due to the PSIA Manager on account of the PSIA Manager Profit Entitlement and/or the Reference Period Incentive (if any) and/or the Final Reference Period Incentive (if any) (as the case may apply) with respect to the Reference Period then the balance shall be promptly paid to the PSIA Manager as described in this Clause 11.4 .

If the effect of the On-Account Amounts utilized by the PSIA Manager means that the PSIA Manager has been over-paid then the excess shall be promptly paid by the PSIA Manager to the NBC Sukuk.

11.5. Donation of Profit

The Company may, at its absolute discretion, donate from its share of Distributable Profit or any other shareholders funds, to the Sukuk holders. The Company reserves the right to determine the criteria for distributing such donation amount.

12. CALCULATION AND PAYMENT OF PROFIT ENTITLEMENT

12.1. Timing of distributable profit calculation

After the end of the Reference Period, the PSIA Manager shall perform Constructive Liquidation based on the management accounts prepared by the PSIA Manager and determine the Distributable Profit leading to the determination of the Sukuk Holder Profit Entitlement of the Eligible Sukuk Holders and the PSIA Manager Profit Entitlement and/or the Reference Period Incentive (if any) and/or the Final Reference Period Incentive (if any) (as the case may apply) with respect to the Reference Period subject always to the Profit Distribution Policy.

Notwithstanding anything contained herein, the Profit Distribution Policy to be implemented by the PSIA Manager shall be based on the IT system internally developed using the data available with respect to the Sukuk Certificates and the Sukuk Holders on the PSIA Manager's database.

12.2. Crediting of profit entitlements

Upon the calculation described in Clause 12.1 above having been performed in accordance with the Profit Distribution Policy and subject to the recommendation of the executive management of the Company, and subsequently the approval of the Sharia Supervisory Board and the Board of Directors, the PSIA Manager shall promptly:

- (a) Account for the Sukuk Holder Profit Entitlement of the Eligible Sukuk Holders under the Sukuk Type and subject to the adjustment of the amounts/in kind payments to the Sukuk Holders in advance:
 - (i) credit the Sukuk Holder Profit Entitlement to their respective Sukuk Holder Account; or
 - (ii) Subject to the Additional Terms and Conditions (specific to the Sukuk Type) and under the guidance of the Sharia Supervisory Board, provide an equivalent return in kind.
- (b) pay to itself, the:
 - (i) PSIA Manager Profit Entitlement;
 - (ii) the Reference Period Incentive (if any) and/or the Final Reference Period Incentive (if any) (as the case may apply),

less the amounts paid On-Account Amounts, as provided in Clause 11.

12.3. Issue of additional Sukuk Certificates

If the Sukuk Holder Profit Entitlement of an Eligible Sukuk Holder under the Sukuk Type reaches the Profit Threshold then such Eligible Sukuk Holder shall be issued with additional Sukuk Certificates in the Issuance Currency for Sukuk Holder Profit Entitlement or the paid into the nominated bank account of the Sukuk Holder. The PSIA Manager shall determine the number by dividing the amount standing to the credit of the Sukuk Holder Account by the Issuance Unit.

In addition, the following shall be applicable in this regard:

- (a) The Sukuk Holders shall be duly intimated in this regard through proper communication channels, as deemed appropriate by the Company.
- (b) No Application shall be required to be submitted by the Sukuk Holder for the additional Sukuk Certificates.
- (c) The PSIA Manager shall issue the additional Sukuk Certificates to the Eligible Sukuk Holder as soon as practicable.
- (d) The Additional Sukuk Certificates issued shall be redeemable immediately without lock-up in accordance with the provisions of the Clause 24 of these Terms and Conditions and under the Redemption Policy.
- (e) Additional Sukuk Certificates shall also be issued to persons who have ceased to be the Sukuk Holders but to whom profit entitlements are subsequently paid as described in Clauses 9 and 11.4 and where the credit to their Sukuk Holder Account exceeds the amount as set out in the Additional Terms and Conditions (specific to the Sukuk Type).

12.4. Reconciliation when the audited financial statements are issued

If upon the audited financial statements of the NBC Sukuk for the Financial Year being approved by the Board of Directors of the Company, Sukuk Holder Profit Entitlement payment made to the Eligible Sukuk Holders under the Sukuk Type made in accordance with Clause 12.1 above:

- (a) , is more than the amount that should have been paid based on the audited financial statements, the PSIA Manager shall, from its own funds, pay to the NBC Sukuk the overpayment made to the Sukuk Holders; or
- (b) is less than the amount that should have been paid based on the audited financial statements, appropriate amounts shall be promptly:
 - (i) credited to the Sukuk Holder Account of each Sukuk Holder to whom the original payments were made; and
 - (ii) paid to the PSIA Manager (but after taking into account the On-Account Amounts, described in Clause 10 above).

12.5. Persons ceasing to be Sukuk Holders

If a person to whom a profit entitlement was allocated in accordance with Clause 11.1 above, shall cease to be a Sukuk Holder prior to the reconciliation exercise described in Clause 11.4 above, any additional reconciliation payment due to that person shall be paid to that person's Sukuk Holder Account. If the amount in that person's Sukuk Holder's Account reaches the requisite level as determined in the Additional Terms and Conditions (specific to the Sukuk Type) and subject to compliance with relevant regulatory requirements, the person shall be issued with additional Sukuk as provided in Clause 12.3 above.

To the extent that any funds remain in a Sukuk Holder Account of a person that has ceased to be a Sukuk Holder, the PSIA Manager is authorized to invest that money and to pay any profits made on such money to a charity account as it may decide subject to the guidance of the Sharia Supervisory Board until such time as the person who was a Sukuk Holder requests the payment to him of those funds.

REWARDS PROGRAM

13. REWARDS

The Company may, in its sole and absolute discretion, hold Rewards Program in which, from time to time, it will determine and distribute, in its sole and absolute discretion, a variety of rewards by way of Rewards Program amongst the Eligible Sukuk Holders from the independent funds of the Company in accordance with the Terms and Conditions, the Additional Terms and Conditions (specific to the Sukuk Type) and as per the Rewards Program Policy.

The PSIA Manager (as Mudareb) does not guarantee that it will use, all or any part of the PSIA Manager Profit Entitlements and/or the Reference Period Incentive for the purpose of the Rewards Program, if the same is decided to be conducted by the Company.

Each Sukuk Holder agrees that the issuance of the subject reward shall be a full and final settlement and discharge of the winning Sukuk Holder's right to be paid the reward by the Company.

14. DRAWS

Each Sukuk Holder shall be deemed to acknowledge and agree that only the Eligible Sukuk Holder shall be entitled to participate in the Rewards Program and the same shall be conducted in the absolute discretion of the Company in accordance with the Terms and Conditions, the Additional Terms and Conditions (specific to the Sukuk Type), applicable rules and regulations, and as per the Rewards Program Policy.

Each Sukuk Holder further acknowledges that there is no guarantee for participating in a Rewards Program and being successful in winning a reward.

15. NOTIFICATION OF THE REWARDS PROGRAMS AND REWARDS

The Company shall promptly announce the results through such channels as it may decide.

16. UNCLAIMED REWARDS

Wherever applicable, subject to the relevant rules and regulations, the Rewards awarded by the Company to the customer shall automatically lapse in the event that the customer does not claim the reward within the time frame outlined in these additional terms and conditions and any Sukuk specific additional terms and conditions and the customer shall have no rights against the Company.

ACCOUNTING MATTERS**17. FINANCIAL YEAR**

The Financial Year of the Sukuk Certificates shall be from 1 January to 31 December unless the Company, in its discretion, changes it.

18. SEPARATE ACCOUNTS

The Company must keep or cause to be kept in accordance with the applicable regulations true and accurate segregated accounts of money received and expended by or on behalf of the NBC Sukuk, of the issue and redemption of Sukuk Certificates, and of all other financial matters that relate to the operations and activities of the NBC Sukuk.

19. EXTERNAL AUDITOR

The Company and / or the PSIA Manager shall appoint an External Auditor for the NBC Sukuk to undertake statutory audits as per applicable rules and regulations. The details of the External Auditor shall be published on the website of the Company or the PSIA Manager.

ISSUE AND PURCHASE OF SUKUK CERTIFICATES**20. ISSUE AND PURCHASE OF SUKUK CERTIFICATES****20.1. Application for Sukuk Certificates**

Applications for Sukuk Certificates may be made upon the establishment of the Sukuk Holder Account and subject to this Master Client Agreement Terms and Conditions and the Additional Terms and Conditions and otherwise in such manner and upon such terms and conditions as the PSIA Manager determines.

20.2. General provisions as to how to buy

The PSIA Manager may permit a potential Sukuk Holder to submit an Application through the following methods:

- (a) in person at any Approved Outlet;
- (b) through kiosks operated by the Company;
- (c) digital channels;
- (d) by telephone; or
- (e) such other method as the PSIA Manager determines and notifies the Sukuk Holders or prospective Sukuk Holders.

20.3. General authority to extend or limit application methods

The PSIA Manager may from time to time:

- (a) determine the places where Sukuk Certificates are to be issued;

- (b) amend or restrict, whether temporarily or permanently, those application procedures described in Clause 20.4,

and shall notify the Sukuk Holders or prospective Sukuk Holders accordingly.

20.4. Application procedures

- (a) In order to purchase a Sukuk Certificates, an Applicant must establish a Sukuk Holder Account and complete and provide the Application to the PSIA Manager. In addition, the Applicant must submit such documents and other information as required by the PSIA Manager.
- (b) Without limiting the provisions described in sub clause (a) above, the following conditions apply to Applications:
 - (i) *Digital Channels:* If the Applicant applies via the internet or by telephone and this is the Applicant's first purchase of Sukuk Certificates, the Applicant shall confirm his/her Application either electronically or through the physical execution of the Application;
 - (ii) *Timeframe:* The PSIA Manager reserves the right to specify the time within which the executed Application (either digitally or physically) and/or evidence of identity, address or source of funds must be provided to the PSIA Manager. If the PSIA Manager does not receive the Application and/or such evidence within the specified time, the Application shall not be accepted.
 - (iii) *Subject to acceptance:* In all cases, an Application to purchase is subject to acceptance or rejection by the PSIA Manager. The PSIA Manager may, in its absolute discretion, accept or refuse to accept in whole or in part an Application. The PSIA Manager is not required to give any reason or grounds for such refusal. An Application made through an Authorized Outlet may only be accepted or refused by the PSIA Manager and not by that Authorized Outlet.
 - (iv) *Cleared funds or Payment confirmation:* For the avoidance of doubt, acceptance of any Application shall be dependent on cleared funds or payment confirmation of the funds being actually received by the PSIA Manager and, in the case of an Applicant using a credit card/direct debit/standing order, on the required debit being confirmed to have been made and accepted by the credit card provider/bank which is handling the direct debit/standing order instructions. Payments in cleared funds or the receipt of the payment confirmation will not itself constitute acceptance of an Application.

20.5. Authority of the PSIA Manager to request additional information

In order to comply with any applicable laws and regulations (including, without limitation, any anti-money laundering regulations) the PSIA Manager may:

- (a) when an Application is submitted; or
- (b) at any time after an Application has been accepted,

require that an Applicant or a Sukuk Holder, as applicable, provides to it details and evidence of, as applicable:

- The identity of the Applicant or the Sukuk Holder (or any person for whom he holds or purports to hold, all or part of the title to any Sukuk Certificates which is registered in their name);
- The identity of the source of funds that are intended to purchase or were used to purchase any Sukuk Certificates;
- Details of such person's address;
- Any other information that the PSIA Manager is required by law to obtain from an Applicant or a Sukuk Holder.

If the Applicant or the Sukuk Holder does not comply with such notice to the satisfaction of the PSIA Manager, the PSIA Manager has the right to:

- (a) reject the Application; or
- (b) in the case of issued Sukuk Certificates, mandatorily redeem the applicable Sukuk Certificates in accordance with Clause 35.

20.6. Applications that are accepted

If an Application is accepted, the date of purchase shall be the date when cleared funds or payment confirmation has been duly received by the PSIA Manager as described in Clause 20.4(b)(iv).

20.7. Allotment source

Applications for Sukuk Certificates which are accepted by the PSIA Manager may, in the discretion of the PSIA Manager, be treated as:

- (a) a subscription for new Sukuk Certificates to be issued in relation to the Sukuk Certificates; or
- (b) a request for the purchase from the Company of Sukuk Certificates owned by the Company and, if the PSIA Manager wishes, with the certificates of such issued Sukuk Certificates being cancelled and with new certificates being issued to the Applicant for Sukuk Certificates.

Regardless of the alternative adopted by the PSIA Manager, the price payable by the Applicant will always be in the Issuance Unit.

20.8. Minimum subscription

A subscription must be for at least the Minimum Issuance Quantity.

20.9. Delivery, form and execution of the Sukuk Certificates

If an application is accepted, the PSIA Manager intends to, during the currency of this Master Client Agreement, and absent unusual circumstances issue or cause to be issued the Sukuk Certificates to the Applicant immediately upon such acceptance. The Sukuk Certificates shall, amongst other matters, show the date of purchase.

The certificate used for a Sukuk Certificates shall be in such form and content as the PSIA Manager shall from time to time decide.

Each Sukuk Certificates is to be executed by or on behalf of the PSIA Manager (or by some person authorized by the PSIA Manager) in original form, or by electronic or mechanical means.

The PSIA Manager may stop issuing Sukuk Certificates in physical form and instead send statements of account to Sukuk Holders on such regular basis as the PSIA Manager may decide from time to time. In these circumstances the PSIA Manager, at its sole discretion, shall have the right from time to time to appoint and remove a custodian, and to agree the scope of its responsibilities and its remuneration.

20.10. Number of Sukuk Certificates allotted

The number of Sukuk Certificates sold or issued to an Applicant shall be for the Minimum Issuance Quantity.

20.11. Reward Sukuk Certificates

No Application is required to be submitted by the winning Sukuk Holder in relation to the rewards issued in the form of Sukuk Certificates.

20.12. Delivery of allotted Sukuk Certificates

If an Application is accepted, the issuance of the allotted Sukuk Certificates shall be confirmed electronically to the Sukuk Holder Account.

21. MINIMUM PURCHASE AMOUNTS

The minimum amount for each purchase of Sukuk Certificates shall be the amount required to purchase the Minimum Issuance Quantity as detailed in T&Cs for each relevant Sukuk Type.

22. MAXIMUM HOLDING OF SUKUK CERTIFICATES**22.1. Maximum holding**

The PSIA Manager may determine limits on the holdings of Sukuk Certificates by persons whether by reference to individual persons or by classes of persons. At the date of this Master Client Agreement there are no limits. The PSIA Manager may from time to time provide notice of such revised limits.

The PSIA Manager has the authority to require additional proof of identity/source of funds for large applications and, as at the date of this Master Client Agreement, applications of/or above the requisite level as set out in the Additional Terms and Conditions (specific to the Sukuk Type) shall be considered as large applications.

23. PERSONS ENTITLED TO PURCHASE AND HOLD SUKUK CERTIFICATES

23.1. Who can purchase

A Sukuk Certificates may be purchased and held by any of the following persons in their sole name:

- (a) any adult who is not under any legal disability. For this purpose, an adult shall be a person who is not a Minor;
- (b) companies, corporations, partnerships, limited liability companies and other corporate bodies that the PSIA Manager may permit from time to time;
- (c) Protectors;
- (d) Guardians;
- (e) Trustees;
- (f) any other body of persons which the PSIA Manager may, in its discretion, approve from time to time, either generally or with respect to any particular purchase;
- (g) the Company on its own account.

23.2. On behalf of certain persons

Subject to these Terms and Conditions, a Sukuk Certificates may be purchased:

- (a) on behalf of and in the name of a person described in Clause 23.1 above, by any other person in compliance with relevant rules and regulations;
- (b) on behalf of and in the name of a Minor by a Guardian; and
- (c) on behalf of and in the name of a Mentally Disordered Person by his/her Protector.

Any Sukuk Certificates so purchased shall be deemed to be held by the person on whose behalf it is purchased although, in relation to sub paragraphs (b) and (c) above, the Company shall only take instructions from the Guardian or Protector, as applicable. Furthermore, the Company shall not be liable to any beneficial owner as a result of actions taken in relation to instructions received from Guardian or Protector, as applicable.

23.3. Trustee arrangements

Subject to these Terms and Conditions, a Sukuk Certificates may be either:

- (a) purchased and held by a Trustee or by two or more Trustees jointly; or
- (b) purchased by a person or persons acting as Guardian on behalf of a Minor; or
- (c) purchased by a person or person acting as Protector on behalf of a Mentally Disordered Person; or
- (d) in the joint names of (i) the Trustee or Trustees and (ii) the beneficiary or beneficiaries, in which case they shall hold the Sukuk Certificates jointly.

Where a Sukuk Certificates is purchased and held by a Trustee or Trustees under sub-paragraph (a) of this Clause 23.3, he or they may be described in the records kept by the Company as trustee or Trustees of a specified Trust or as a Trustee or Trustees without specifying a trust. Notwithstanding the above, the PSIA Manager shall only take instructions from the Trustee or Trustees and not the beneficiaries in relation to all matters regarding the applicable Sukuk Certificates unless a valid court order recognized in the UAE is provided to it and which, based on legal advice, it finds to provide satisfactory evidence for it to so act.

Except as expressly provided in this Clause, the PSIA Manager shall be deemed to have no notice of any other form of trust or similar arrangement or agreement.

23.4. Joint applications

Applications may be accepted from joint Applicants to the extent that joint Applications are permitted, the first named of such joint Applicants and the PSIA Manager shall be fully entitled and is, in relation to each such joint application, authorized by each of the joint Applicants, to act solely upon the instructions of the first named person, including acting upon requests to redeem all or part of the Sukuk Certificates held by such joint Sukuk Holders.

23.5. Children reaching maturity

Where a Sukuk Certificates has been purchased on behalf of a Minor at the date of the purchase, the PSIA Manager shall, at any time after that person has become an adult and upon submission of suitable and acceptable legal evidence, the details and records shall be amended to show that the person who was previously a Minor is now the Sukuk Holder subject to completion of KYC and other applicable requirements.

24. REDEMPTION OF SUKUK CERTIFICATES

24.1. Minimum Holding Period

Other than the Sukuk Certificates which have been awarded in a reward draw or the Sukuk Certificates which are issued as part of profit entitlement, the Sukuk Certificates may not be redeemed before the expiry of the Minimum Holding Period.

24.2. Minimum Redemption Quantity

The redemption contemplated hereunder shall only apply to the Minimum Redemption Quantity.

24.3. Redemption Request

The Sukuk Holder will be able to redeem the Sukuk Certificate by using the various physical or electronic channels or means made available by the Company for the purpose of redemption in accordance with these Terms and Conditions and any Additional Terms and Conditions applicable to the Sukuk Type.

24.4. Redemption or purchase

The Company has entered into a Declaration of a Promise to Purchase in which it has promised to purchase for the applicable Redemption Amount, which shall be considered exercisable upon the following:

- (a) For the purpose of the Sukuk Certificates subject matter of redemption, upon the Sukuk Holder making a Redemption Request in accordance with Clause 24 of the Terms and Conditions; and
- (b) All issued Sukuk Certificates, upon the occurrence of either of:
 - (i) the winding-up of the Sukuk Certificates in accordance with Clause 31 of the Terms and Conditions; or
 - (ii) a final and non-appealable judgment being issued against the PSIA Manager in accordance with Clause 43 of the Terms and Conditions.

24.5. Forced redemption

If the number of Sukuk Certificates held by a Sukuk Holder falls below the Minimum Holding Quantity then the PSIA Manager may after due notice to the Sukuk Holder mandatorily redeem those Sukuk Certificates and after such notification to the Sukuk Holder apportion the proceeds towards any actual expenses incurred by the Company in maintaining the Sukuk Holder Account and if there is any balance then the same may be provided to the Sukuk Holder upon closure of the Sukuk Holder Account.

24.6. Determination of the Redemption Amount

In respect of each redemption, the PSIA Manager shall have the sole and absolute discretion to determine the applicable Redemption Amount in accordance with the basis set out in this Master Client Agreement.

25. PAYMENT METHODS ON REDEMPTION**25.1. Payment of Redemption Amounts**

- (a) Subject to sub clause 25.1 (b) below, all Redemption Amounts shall be paid to the Sukuk Holder or its nominee by electronic transfer or cheque or cash, at the option of the Sukuk Holder subject to the relevant charges being borne by the Sukuk Holder.
- (b) From time to time the PSIA Manager may:

- (i) amend the modes of providing the Redemption Request; and
- (ii) provide for other payment methods whether generally or in respect of a specific Redemption Request.

25.2. Redemption payment by cheque

If payment is made by cheque, the date of the cheque shall be the date when a Sukuk Certificate is taken to have been redeemed or purchased by the Company. Unless express arrangements are made with the PSIA Manager, a cheque shall be mailed to the Sukuk Holder at the address available with the PSIA Manager. The PSIA Manager does not have any further responsibility or liability once the cheque is placed in the post, properly stamped and addressed.

25.3. Electronic transfer of Redemption Amounts

Subject to Clause 25.1 above, if the payment of a Redemption Amount is made by electronic transfer:

- (a) it will be made by direct credit to a bank account of the Sukuk Holder specified in the Redemption Request; and
- (b) the date a Sukuk Certificate is redeemed shall be the date when, in the normal course, the payment would be credited to the nominated account following initiation of the electronic transfer by the PSIA Manager.

In respect of payments made by electronic transfer, the PSIA Manager may charge a Redemption Fee on the Redemption Amount as per the applicable Sukuk Type based on the Additional Terms and Conditions.

If the PSIA Manager makes an electronic transfer properly, it shall not be liable for:

- (a) any failure or delay of the receiving bank in crediting the nominated account; or
- (b) any failure or delay in any part of the electronic transfer process which is beyond its direct control,

including any failure which occurs because the specified account is incapable of receiving the electronic transfer.

25.4. Redemption payment by cash

If payment is made by cash by any of the Approved Outlets, then the Sukuk Holder on the record of the Company shall be required to appear in person to collect the cash. The Approved Outlets (as the case may apply) shall only pay the Redemption Amount to the Sukuk Holder upon having duly verified their identity by referring their Emirates ID or passport or such other identification document acceptable under the laws of the UAE. The Approved Outlet making such payment will not have any further responsibility or liability once the cash has been provided to the Sukuk Holder having made the requisite verification.

26. REDEMPTION REQUESTS FROM PARTICULAR CATEGORIES OF PERSONS**26.1. Children and Mentally Disordered Persons**

- (a) Subject to the provisions of these Master Client Agreement Terms and Conditions, no redemption payment shall be made in respect of Sukuk Certificates held by a Minor. However, the PSIA Manager may, if it thinks fit, pay the whole or any part of the amount payable in respect of Sukuk Certificates to a person who provides satisfactory evidence that he is the legal Guardian of the Minor.
- (b) The Protector of a Mentally Disordered Person shall be the person entitled to complete and submit a Redemption Request for Sukuk Certificates held by or on behalf of such a Mentally Disordered Person. Where it is shown to the satisfaction of the PSIA Manager that any person holding, or having an interest in, a Sukuk Certificates is a Mentally Disordered Person for whose estate no Protector has been appointed, the PSIA Manager may, if it thinks fit, pay the whole or any part of the amount payable in respect of the Sukuk Certificates to a person who provides satisfactory evidence (in accordance with applicable laws) that the payment will be used for the maintenance or otherwise for the benefit of the Mentally Disordered Person. The Company shall have the absolute right to accept or refuse any such Redemption Request after consulting with its legal team.

26.2. Redemption applications from joint Applicants

If Sukuk Certificates are in the names of two or more persons as joint holders, the PSIA Manager can only accept a Redemption Request duly signed by joint Sukuk Holders.

In addition, the joint holders of Sukuk Certificates may authorize any person, pursuant to a duly notarized power of attorney, including one of themselves, to act as their agent for the purpose of receiving on their behalf any amount payable in respect of the redemption of a Sukuk Certificates.

26.3. Redemption applications from bankrupts

If the PSIA Manager is satisfied that:

- (a) any person who is the sole holder of a Sukuk Certificates is bankrupt; or
- (b) an administrator has been appointed in the bankruptcy of any such person; or
- (c) an order for the administration in bankruptcy of the estate of a deceased sole holder has been made,

the PSIA Manager may, if it thinks fit, pay the Redemption Amount due in respect of the applicable Sukuk Certificates if it receives:

- a duly completed Redemption Request; and
- such evidence as is satisfactory to it of the legal right of the person who has submitted the Redemption Request to do so on behalf of the Sukuk Holder in the circumstances described in (a), (b) or (c) above.

26.4. Redemption upon the death of the Sukuk Holder

In the event of the death of a Sukuk Holder (the **Demised Sukuk Holder**), the PSIA Manager shall permit the redemption of the Sukuk Certificates by the legal heirs, or the legal representatives (the **Claimant**) as established by such Claimant as per applicable laws of the UAE.

The payment made to the Claimant pursuant to this Clause 26.4 shall be a valid discharge of our liability.

26.5. Additional Documents of identity as part of the Redemption Process

Before making any payment pursuant to a Redemption Request, the PSIA Manager has the right to ask for evidence satisfactory to it that the person to whom it proposes to make a payment, is the person legally entitled to receive such payment and that making such payment will not violate any law or regulation.

The PSIA Manager has the unilateral right to refuse any Redemption Request it believes is contrary to any laws or regulations.

TRANSFER OF SUKUK CERTIFICATES**27. GENERAL CONDITIONS ON TRANSFERS****27.1. Transfer of Sukuk Certificates**

A Sukuk Holder agrees that other than as provided in Clauses 27.2 below, Sukuk Certificates can only be transferred from one Sukuk Holder to another if the same is facilitated with the approval of the Company, which shall be granted at its sole discretion.

The restrictions contained in this clause 27.1, do not apply if the Sukuk Holder dies when a transfer of a Sukuk Certificates to the deceased's estate is permitted as described in Clause 29 below.

27.2. Transfers by and to the Company

- (a) If the discretion is exercised under Clause 27.1 above, Sukuk Certificates held by the Company can be transferred to the application against payment to and receipt by the Company in its independent capacity of the applicable payment amount;
- (b) If Company purchases Sukuk Certificates under the Declaration of a Promise to Purchase, the Sukuk Certificates which are purchased shall be transferred to the Company.

ENCUMBERING OF SUKUK CERTIFICATES**28. ENCUMBERING OF SUKUK CERTIFICATES**

A Sukuk Holder may pledge, mortgage or otherwise encumber (collectively an **encumbrance**) all or a part of their holding of Sukuk Certificates with the notification (as envisaged below) provided that:

- (a) It shall not grant encumbrance to secure any non-Sharia compliant obligation.
- (b) it shall not be possible for a Sukuk Holder to grant an encumbrance over their eligibility to receive a reward or over an actual reward.

In all circumstances the Company shall only pay a reward to the Sukuk Holder appearing on the official records of the Company.

Notification of the grant of any encumbrance shall be provided in writing to the PSIA Manager shall be entitled to ask for any additional information and documentation (including a legal opinion) that it may require before taking any action to record such encumbrance. If the PSIA Manager is requested to execute a form of acknowledgment and/or consent, it may refuse to do so unless that acknowledgment and/or consent is in a form and substance satisfactory to it and it is reimbursed any costs or expenses (including legal fees) that it may incur in taking this action.

Once the encumbrance has been recorded in the Register then the PSIA Manager shall only:

(a) pay the applicable Sukuk Holder Profit Entitlement (subject to the Sukuk Holder being an Eligible Sukuk Holder); and

(b) act upon Redemption Requests,

in accordance with the instructions of the pledgee, mortgagee or other encumbrance holder until such time as notified otherwise by such person or by a court order.

PAYMENT IN CASE OF DEATH

29. PAYMENT AGAINST SATISFACTORY EVIDENCE

29.1. Evidence of authority

If a Sukuk Holder (or joint holder) dies, the PSIA Manager shall be under no obligation to act unless it receives legally valid evidence of the legal heirs, and their identity as deemed appropriate under the laws of the UAE.

29.2. No liability

If the PSIA Manager has acted in good faith and not negligently in seeking evidence of authority as described in Clause 29.1 above, any payment or transfer shall be deemed to have been validly made notwithstanding the invalidity of, or any defect in, the authority of the person claiming to act on behalf of the deceased person.

29.3. Law applicable on Sukuk Holder's death

In determining the domicile of any person who has died and the person or persons to whom payments in relation to Sukuk Certificates should be made or instructions taken, the PSIA Manager shall apply the provisions of the laws of the UAE. In reaching such determination, the PSIA Manager shall be entitled to rely on the information contained in the Register as to the residence and domicile of a Sukuk Holder at the date of his/her death. Any payment which is made on this basis will be regarded, for the purpose of these Master Client Agreement Terms and Conditions, to have been properly made.

29.4. Death of a Sukuk Holder once a Redemption Request has been submitted

The death of the person who submitted a Redemption Request shall not of itself terminate the instructions contained in the Redemption Request unless prior to the issue of the redemption

cheque or the issue of instructions to make an electronic transfer of funds, the PSIA Manager has received written confirmation that the person has died.

If before receiving such written confirmation a cheque has been dispatched, the PSIA Manager shall take reasonable steps to stop payment of the cheque but shall not be responsible if, having acted reasonably in the discharge of this obligation, payment is not stopped. If the written confirmation is received after an electronic transfer has been initiated, the PSIA Manager shall not be required to take any further action.

MATTERS RELATING TO HOLDERS OF SUKUK CERTIFICATES

30. SUKUK HOLDER LIABILITY

If the PSIA Manager becomes liable for any taxes payable by Sukuk Holder(s) in respect of their holding, redemption or disposal of any Sukuk Certificates (including, without limitation, withholding taxes, income or capital gains taxes) then that Sukuk Holder shall indemnify the PSIA Manager for such liability, but only up to the face value of the Sukuk Certificates.

DURATION OF THE NBC SUKUK

31. TERM AND WINDING UP

31.1. Term

The term of the NBC Sukuk will be thirty (30) years as from the initial issue date.

However:

- (a) The Company may automatically renew the term upon notice to the Sukuk Holders for one or more periods of thirty years as it shall from time to time decide provided that any renewal shall be without prejudice to the right of the Sukuk Holders to redeem their Sukuk Certificates as provided in the Master Client Agreement Terms and Conditions and the Additional Terms and Conditions (specific to the Sukuk Type);
- (b) the term can be ended early if Company certifies in writing that, in its opinion, it is in the interests of the Sukuk Holders that Company and/or the Sukuk Certificates should be wound up;

and with the Sukuk Holders being so notified in writing. In the case of an extension of the term, the notice shall contain details, as far as reasonably possible, about Sharia compliant specific projects in which the Mudaraba Assets are already invested and in which they will be invested.

31.2. Winding up

If the term of the Sukuk Certificates is not automatically renewed or if the term is ended early as described in Clause 31.1 (b) above, Company shall promptly give each Sukuk Holder notice that the Sukuk Certificates is to be wound up.

The issue of such a notice shall result in the exercise by the Company (acting in a capacity totally independent from its capacity as the PSIA Manager) of its rights under each Sale Undertaking to purchase all of the Sukuk Holder's outstanding Sukuk Certificates for the Redemption Amount.

As soon as practicable, the Company shall acquire the Sukuk Certificates held by all of the Sukuk Holders for the Redemption Amounts pursuant to each Sale Undertaking.

As part of the winding-up procedure, the PSIA Manager shall pay out, discharge or otherwise make proper provision from the Mudaraba Assets for the liabilities of the Sukuk Certificates and any contingent liabilities of the PSIA Manager or of the Sukuk Certificates.

When the Sukuk Certificates ends, a Final Reference Period Incentive may be paid to the PSIA Manager out of the Mudaraba Assets. The payment of the Final Reference Period Incentive shall be conditional upon each Sukuk Holder existing on the date that the Sukuk Certificates is to be ended having received the Profit Threshold cumulative return taking into account the period that they have held the Sukuk Certificates.

For the avoidance of doubt, there is no guarantee that the Profit Threshold return will be achieved for the Sukuk Holders.

Upon the Sukuk Holders existing at the time of the winding-up of the Sukuk Certificates have achieved a Sukuk Holder Profit Entitlement equal to the Anticipated Profit then surplus or excess of the Sukuk Holder Profit Entitlement over and above the Anticipated Profit (either in cash or in kind (being the balance of the Mudaraba Assets) (if any) will be provided to the PSIA Manager as the Final Reference Period Incentive;

For the avoidance of doubt, there is no guarantee that Anticipated Profit will be achieved for the Sukuk Holders and, furthermore, the payment of any additional amount to the Sukuk Holders as mentioned above, is always subject to there being sufficient Distributable Profit (as per the Profit-Sharing Ratios) and the underlying Mudaraba Assets to such extent being available.

PERSONS UNDER DISABILITY; PERSONS UNABLE TO WRITE

32. PERSONS UNDER DISABILITY

If any person holding, or having an interest in, any Sukuk Certificates is a Mentally Disordered Person or is under legal disability for any other reason except his/her age alone, anything which under these Master Client Agreement Terms and Conditions is required or authorized to be done by or to the holder of the Sukuk Certificates, shall or may be done by or to the Protector or other person having power in law to administer his/her estate.

33. PERSONS UNABLE TO WRITE

If the Company (including in its capacity as the PSIA Manager) or these Master Client Agreement Terms and Conditions requires a document to be signed and a person cannot write, it shall be sufficient if the document is marked by that person in the presence of two witnesses in such manner as the PSIA Manager may require.

34. PAYMENT TO CHARITY IF UNABLE TO OBTAIN VALID DISCHARGE

If the Company (including in its capacity as the PSIA Manager) cannot for any reason obtain a valid discharge for any payment to be made to any person in relation to a Sukuk Certificates, it is authorized to pay such amount to such charity or charities as may be approved from time to time by the Sharia Supervisory Board.

35. MANDATORY REDEMPTION OF SUKUK CERTIFICATES**35.1. Events of Mandatory Redemption**

Subject to these Master Client Agreement Terms and Conditions, the Company has the right, as per applicable law and regulations, to compulsorily realize or freeze any holdings of the Sukuk Certificates held by:

- (a) any Sukuk Holder:
 - (i) who fails to comply with request for additional information within the reasonable time (wherever permitted by law) by the PSIA Manager, as contemplated under Clause 20.5 above;
 - (ii) whose number of Sukuk Certificates held fall below the Minimum Holding Quantity.
- (b) any Sukuk Holder:
 - (i) whose subscription for or holding of Sukuk Certificates, in the opinion of the Company, is or may be in breach of any applicable law or regulation in any jurisdiction; or
 - (ii) where such realization is, in the opinion of the PSIA Manager, necessary or desirable for our compliance or the compliance of the Sukuk Certificates with any applicable law or regulation in any jurisdiction (including any regulatory exemption conditions); or
- (c) any Sukuk Holder whose holdings, in the opinion of the PSIA Manager:
 - (i) may cause the Sukuk Certificates to lose its authorized or registered status with any regulatory authority in any jurisdiction; or
 - (ii) may cause the offer of the Sukuk Certificates, the PSIA Manager to become subject to any authorization, recognition, approval or registration requirements under any law or regulation in any other jurisdiction; or
- (d) any Sukuk Holder whose holdings, in the opinion of the PSIA Manager:
 - (i) may cause a detrimental effect on the tax status of the Sukuk Certificates in any jurisdiction or on the tax status of the Sukuk Holders; or
 - (ii) may result in the Sukuk Certificates or other Sukuk Holders suffering any other legal or pecuniary or administrative disadvantage which the Sukuk Certificates or Sukuk Holders might not otherwise have incurred or suffered; or

- (e) any Sukuk Holder who fails any anti-money laundering, anti-terrorist financing or know-your-client checks, or where information and/or documentary evidence requested by us and/or the PSIA Manager for the purposes of any anti-money laundering, anti-terrorist financing or know-your-client checks cannot be obtained from the Sukuk Holder (or the Sukuk Holder has failed to provide the same) in a timely manner; or
- (f) any Sukuk Holder, where information (including but not limited to information regarding tax status, identity or residency), self-certifications or documents as may be requested by us and/or the PSIA Manager pursuant to laws, regulations, guidelines, directives or contractual obligations with other jurisdictions' authorities (including, without limitation, the FATCA/CRS and/or any UAE laws, regulations, guidelines and directives implemented as part of any IGA entered into between the United States and UAE in connection with FATCA/CRS) cannot be obtained from the Sukuk Holder, or the Sukuk Holder has failed to provide the same, in a timely manner; or
- (g) any Sukuk Holder(s) who do(es) not consent, or withdraws their consent, for the PSIA Manager to collect, use and/or disclose information or data relating to the Sukuk Holder, where (in the opinion of the PSIA Manager) such information or data is necessary or desirable for us, the PSIA Manager, their respective related corporations and/or other service providers to perform our or their respective services and/or duties to or in respect of the Sukuk Certificates and/or the Sukuk Holder.

35.2. Acknowledgment of not being an Unauthorized United States Person

Every person purchasing Sukuk Certificates will be deemed to have represented, agreed and acknowledged that it is not an Unauthorized United States Person. The PSIA Manager shall have power to impose such restrictions as the PSIA Manager may think necessary for the purpose of ensuring that no Sukuk Certificates are acquired or held which would result in such holding being:

- (a) a breach of the law or requirements of any country or governmental authority, in the opinion of the PSIA Manager, might result in the Sukuk Certificates being adversely affected which the Sukuk Certificates might not otherwise have suffered; or
- (b) in the circumstances which, in the opinion of the PSIA Manager, may result in the Sukuk Certificates incurring any tax liability or suffering any other pecuniary disadvantage which the portfolio might not otherwise have incurred or suffered; or
- (c) held by an Unauthorized United States Person.

Upon notice that any Sukuk Certificates are so held, the PSIA Manager may require such Sukuk Holders to redeem or transfer such Sukuk Certificates in accordance with this Clause 35.2. Persons who become aware that they are holding or owning Sukuk Certificates in breach of any of the above restrictions are required either to redeem their Sukuk Certificates in accordance with this Clause 35.2 or to transfer their Sukuk Certificates to a person whose holding would be permissible under this Master Client Agreement Terms and Conditions.

35.3. Procedure for Mandatory Redemption

Any compulsory liquidation and realization under this Clause 35.3 may be carried out by the PSIA Manager on the relevant day with or without notice to the Sukuk Holder (as soon as practical) and shall be carried out in accordance with the applicable regulations at the Redemption Amount. The PSIA Manager or the Company may be required to freeze the proceeds of such mandatory Redemption or such compulsory liquidation

35.4. Set-off of Liability

If the Company or the PSIA Manager is required to account to any duly empowered fiscal authority of UAE or elsewhere for any income or other taxes, charges or assessments whatsoever on the value of any Sukuk Certificates held by a Sukuk Holder, the Company or the PSIA Manager shall be entitled, at any time with notice to the Sukuk Holder (as soon as practical), to realize such number of Sukuk Certificates held by that Sukuk Holder as may be necessary to discharge the liability arising from and out of the Redemption Amount. The PSIA Manager shall be entitled to apply the proceeds of such Redemption Amount in payment, reimbursement and/or set-off against the liability.

35.5. Exclusion of Liability

Except in the event of infringement, negligence or confirmed violations of the terms, of the Information Memorandum & Master Client Agreement, the Company, the PSIA Manager and their respective delegates, agents or associates shall not be liable for any loss (whether direct or consequential and including, without limitation, loss of profit) or damage suffered by any Sukuk Holder or any party arising out of or caused in whole or in part by any actions which are taken by the Company, the PSIA Manager and/or any of our or their respective delegates, agents or associates under this Clause 35.5.

36. RECTIFICATION OF ERRORS

- (a) If a person receives a document from the PSIA Manager which contains an error, that person must, as soon as practicable, notify the PSIA Manager in writing giving full details of the mistake.
- (b) If the PSIA Manager is satisfied that any transaction undertaken or action which has been carried out pursuant to these Master Client Agreement Terms and Conditions has been undertaken or done in error, it has the right to cancel the transaction and do everything, in its opinion, that is reasonably required to rectify the error. Without limiting its power and authority it may, amongst other matters, require any Sukuk Certificates or other document to be returned to it.
- (c) If the PSIA Manager has caused the error, it shall be responsible for any costs directly related to rectifying the error. If a Sukuk Holder has caused the error, the PSIA Manager may claim any costs and expenses directly related to rectifying the error from that Sukuk Holder.

INDEMNITY OUT OF MUDARABA ASSETS**37. INDEMNITY IN FAVOUR OF COMPANY**

The Company (in whatever capacity) and/or the PSIA Manager, their directors, officers, employees, agents and representatives and any person acting under its authority, shall not be liable in respect of any payment duly made or act properly done in accordance with these Master Client Agreement Terms and Conditions and shall be entitled to be indemnified from the Mudaraba Assets in respect of any liability, costs or expenses that it may incur (in whatever capacity) in performing its duties and obligations contained and described in this Master Client Agreement Terms and Conditions unless such liability, cost or expense were attributable to the breach of contract, gross negligence or willful default of the Company or the PSIA Manager.

SECRECY**38. OBLIGATION OF SECRECY**

A person employed by the Company or the PSIA Manager in connection with the performance of its obligations and duties as described in this Master Client Agreement Terms and Conditions (including those in relation to any Approved Outlet) shall not disclose to any person outside the Company or the PSIA Manager the name of any Sukuk Holder, the number of Sukuk Certificates purchased by any person, or the amount repaid in respect of any Sukuk Certificates.

This Clause shall not prevent the disclosure of such information:

- (a) to the professional advisers of the Company or the PSIA Manager;
- (b) to any consultants, agents or representatives of the Company or the PSIA Manager (including **Approved Outlets**) who have been engaged or hired in connection with the business of the Company or the PSIA Manager and who agree to be bound by such confidentiality provisions;
- (c) to any regulatory authorities including law enforcement bodies;
- (d) as may be required by an order of a court or arbitral panel; or
- (e) as may be required by law.

NOTICES, AVAILABILITY OF DOCUMENTS AND LAW AND JURISDICTION**39. NOTICES**

Communications and notices may be sent to the Sukuk Holders by some or all of the following methods as the PSIA Manager may elect:

- (a) By email address of the Sukuk Holder;
- (b) Via digital channels or the web site of PSIA Manager (www.nationalbonds.ae); or

- (c) Via Approved Outlets or other points of sale including, without limitation, the offices and kiosks of the PSIA Manager.

40. AVAILABILITY OF THE DOCUMENTS

The Information Memorandum, Master Client Agreement Terms and Conditions and Additional Terms and Conditions shall be available on the web site of the PSIA Manager (www.nationalbonds.ae).

41. AMENDMENTS AND EXTENSIONS OF TERM

41.1. Scope of Amendments

The PSIA Manager shall be entitled to propose and conclude amendments to this Information Memorandum, Master Client Agreement Terms and Conditions and the Additional Terms and Conditions for all matters other than Reserved Matters but which may include the following (the **Ordinary Amendments**):

- (a) amendment of a formal, minor or technical nature;
- (b) amendments in-order to correct a manifest error;
- (c) amendments that are not materially prejudicial to the interests of Sukuk Holders (as determined by the PSIA Manager);
- (d) amendments made to comply with the prevailing laws, regulations and financial conditions.

For the purpose of this Clause 41.1:

Reserved Matter means the amendments to any or all of the following matters:

- Increase the liability of the Sukuk Holder in respect of the Sukuk Certificates subscribed by them.
- Change in any Master Client Agreement Terms and Conditions or Additional Terms and Conditions (specific to the Sukuk Type) which expressly or impliedly requires the consent or approval of the Sukuk Holder such that the approval or consent may be given otherwise than with the sanction of the majority Sukuk Holder as set out in the Master Client Agreement Terms and Conditions.
- Change in definition of Redemption Price.
- Amend, wave, delete, rescind or otherwise wave or vary the definition of Redemption Price.

41.2. Procedure for Reserved Matter Amendments

In order to propose and implement the amendments in relation to the Reserved Matters (as set out above in Clause 41.1), the PSIA Manager shall adopt the following procedure (the **Reserved Matter Amendment**):

- (a) The PSIA Manager shall send a notice to the existing Sukuk Holders as of a date (**record date**) which shall be within the period seven days prior to the date of the notice intimating them of the Reserved Matter Amendment.
- (b) If during the period 21 days from the date of the notice, the existing Sukuk Holders as of the record date that own 75% or more of the aggregate face value of issued Sukuk Certificates notify the PSIA Manager that they object to the Reserved Matter Amendment then such Reserved Matter Amendment shall not be effective.
- (c) If there is no such level of objection, the Sukuk Holders agree that such Reserved Matter Amendment shall become effective at the end of that 21-day period (or such other date mentioned in the notice).
- (d) The Company Secretary shall certify whether the objections received have reached the 75% threshold mentioned above.
- (e) The PSIA Manager shall notify the Sukuk Holders whether or not the Reserved Matter Amendment have been implemented either individually or through the website.

42. PSIA MANAGER INCENTIVE

At the end of the Reference Period, a calculation shall be made (by reference to the Eligible Sukuk Holders as of such end date of the Reference Period) of the Eligible Sukuk Holder Profit Entitlement and the PSIA Manager Profit Entitlement by reference to their share of Distributable Profits based on the Profit-Sharing Ratios. To the extent that an Eligible Sukuk Holder has not received a Sukuk Holder Profit Entitlement equal to the Profit Threshold for the Reference Period (pro-rated if necessary), they must be paid proportionately divided amongst all the Eligible Sukuk Holders the amount equally divided from any reserves maintained by the PSIA Manager for and on behalf of the Sukuk Holders from the surplus Distributable Profit in the previous Reference Period (if any) to the maximum extent of the shortfall.

For the avoidance of doubt, there is no guarantee that the Profit Threshold return will be achieved for the Sukuk Holders and, furthermore, the payment of any additional amount to the Sukuk Holders as mentioned above, is always subject to there being sufficient Mudaraba Assets available.

Upon the Eligible Sukuk Holders having received such the Sukuk Holder Profit Entitlement equal to the Profit Threshold, then all amounts exceeding such Profit Threshold shall be distributed to the PSIA Manager as a Reference Period Incentive. The Reference Period Incentive shall be paid at the same time as the payment of the profit entitlements as described in Clause 11.1 above.

At the time of winding-up of the Sukuk Certificates, upon the Sukuk Holders existing at the time of the winding-up of the Sukuk Certificates ended have achieved a Sukuk Holder Profit Entitlement equal to the Profit Threshold then surplus or excess of the Sukuk Holder Profit Entitlement over and above the Anticipated Profit (either in cash or in kind (being the balance of the Mudaraba Assets) (if any) will be provided to the PSIA Manager as the Final Reference Period Incentive.

In order to protect the investments by the Sukuk Holders, the Company (as Mudareb) shall provide reasonable care to the Sukuk Holders' best interest, act in good faith and shall administer the investment transaction(s) with the same degree of care as it exercises with regard to similar transaction(s) which it would administer for its own account. Nonetheless, for the avoidance of doubt, Anticipated Profit is not fully guaranteed and, furthermore, the payment of any additional amount to the Sukuk Holders as mentioned above, is always subject to there being sufficient Distributable Profit (as per the Profit-Sharing Ratios) and the underlying Mudaraba Assets to such extent being available.

43. LAW AND JURISDICTION

- (a) These Master Clients Agreement Terms and Conditions and the provisions of Information Memorandum are governed by and interpreted in accordance with the laws of Dubai and applicable Federal laws of the UAE to the extent that they do not conflict with the principles of Sharia.
- (b) Subject to this Clause 43 (c) below, the courts of Dubai have exclusive jurisdiction to settle any dispute which may arise in connection with these Master Client Agreement Terms and Conditions.
- (c) Clause 43 (b) above, is included for the benefit of the Company and/or the PSIA Manager and accordingly the Company and the PSIA Manager retain the right to bring proceedings against any Sukuk Holder in any other court which has jurisdiction, to which jurisdiction such Sukuk Holder irrevocably submits.