IMPORTANT NOTICE

NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES OR TO ANY U.S. PERSON

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

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

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

Any securities described in the Base Prospectus which do not constitute "alternative finance investment bonds" ("**AFIBs**") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000, as amended (the "**FSMA**")) which has not been authorised, recognised or otherwise approved by the United Kingdom Financial Conduct Authority. Accordingly, the securities must not be marketed in the United Kingdom to the general public and the Base Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Base Prospectus, any Final Terms (as defined herein) and any other marketing materials relating to the securities is being addressed to, or directed at: (A) if the distribution of the securities (whether or not such securities are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons outside the United Kingdom; (ii) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"); (iii) persons falling within any of the categories of persons described in Article 49 (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iv) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the securities are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons outside the United Kingdom; (ii) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "**Promotion of CISs Order**"); (iii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order and (iv) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order (all such persons together being referred to as "**relevant persons**").

Confirmation of your representation: By accessing the Base Prospectus you confirm to the Government of the Emirate of Sharjah acting through the Sharjah Finance Department (the "**Obligor**" or the "**Government**"), Sharjah Sukuk Programme Limited (in its capacities as issuer of the securities and as trustee for the holders of the securities, the "**Trustee**") and each of HSBC Bank plc and Standard Chartered Bank (the "**Arrangers**") and Dubai Islamic Bank P.J.S.C., HSBC Bank plc, Sharjah Islamic Bank P.J.S.C. and Standard Chartered Bank and any other dealers appointed under the Programme (as defined herein) from time to time by the Obligor and the Trustee, which appointment may be for a specific issue of securities or on an ongoing basis (together, the "**Dealers**") that: (i) you understand and agree to the terms set out herein; (ii) you are a relevant person; (iii) you are not a U.S. person (within the meaning of Regulation S), or acting for the account or benefit of a U.S. person, and, to the extent that you purchase the securities described herein, you will be doing so pursuant to Regulation S, and that the electronic mail address that you have given is not located in the United States (including any state of the United States and the District of Colombia), its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands); (iv) you are a person who is permitted under applicable law and regulation to receive this Base Prospectus; (v) you consent to delivery of such Base Prospectus and any supplements thereto by electronic transmission; (vi) you will not transmit the Base Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person; and (vii) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the securities.

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

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

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

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

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

Each of the Arrangers and the Dealers are acting exclusively for the Obligor and the Trustee and no one else in connection with any offer of the securities described in the Base Prospectus. They will not regard any other person (whether or not a recipient of the Base Prospectus) as their client in relation to any offer of the securities described in the Base Prospectus and will not be responsible to anyone other than the Obligor and the Trustee for providing the protections afforded to their clients nor for giving advice in relation to any offer of the securities described in the Base Prospectus or any transaction or arrangement referred to herein.

SHARJAH SUKUK PROGRAMME LIMITED

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

Trust Certificate Issuance Programme

Under the trust certificate issuance programme described in this Base Prospectus (the "**Programme**"), Sharjah Sukuk Programme Limited (in its capacities as issuer of the Trust Certificates (as defined below) and trustee for the Certificateholders (as defined below) (the "**Trustee**")), subject to compliance with all relevant laws, regulations and directives, may from time to time issue trust certificates (the "**Trust Certificates**") in any currency agreed between the Trustee and the relevant Dealer(s) (as defined below). Trust Certificates may only be issued in registered form and there is no limit on the amount of Trust Certificates which may be issued under the Programme.

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

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

Each Tranche (as defined herein) of Trust Certificates issued under the Programme will be constituted by: (i) an amended and restated master declaration of trust (the "**Master Declaration of Trust**") dated 20 March 2019 entered into between the Trustee, the Government of the Emirate of Sharjah acting through the Sharjah Finance Department (the "**Obligor**" or the "**Government**") and Deutsche Trustee Company Limited as delegate of the Trustee (in such capacity, the "**Delegate**"); and (ii) a supplemental declaration of trust (the "**Supplemental Declaration of Trust**" and, together with the Master Declaration of Trust, the "**Declaration of Trust**") in relation to the relevant Tranche. Trust Certificates of each Series (as defined herein) confer on the holders of the Trust Certificates from time to time (the "**Certificateholders**") the right to receive certain payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the "**Trust**"). Such assets include the rights, title and interest of Sharjah Sukuk Programme Limited in, to and under the Lease Asset(s) (as defined herein) of the relevant Series (the "**Relevant Lease Asset(s)**") as set out in: (i) an amended and restated master lease agreement (the "**Master Lease Agreement**") dated 20 March 2019 entered into between the Trustee (in its capacity as lessor) and the Government (in its capacity as lessee); and (ii) a supplemental lease agreement (as may from time to time be replaced in accordance with the provisions of the relevant Supplemental Purchase Agreement, the Servicing Agency Agreement, the Sale and Substitution Undertaking and/or the Purchase Undertaking (each as defined herein), the "**Supplemental Lease Agreement**") for the relevant Series (such assets being referred to as the "**Trust Assets**" for the relevant Series).

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Directive 2003/71/EC, as amended or superseded (the "**Prospectus Directive**"). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and European Union (the "**EU**") law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Trust Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list (the "**Official List**") and to trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, "**MiFID II**"). Such approval relates only to the Trust Certificates which are to be admitted to trading on a regulated market for the purposes of MiFID II and/or which are to be offered to the public in any relevant member state of the European Economic Area (an "EU Member State"). Each of the Trustee and the Government is an "Exempt Offeror" for the purposes of Article 13(1) of the Markets Law, Dubai International Financial Centre Law No. 1 of 2012 (the "**Markets Law 2012**") of the Dubai Financial Services Authority (the "**DFSA**"). Accordingly, this Base Prospectus has not been approved by the DFSA for the purposes of Articles 14 and 15 of the Markets Law 2012. Application has been made to the DFSA for the Trust Certificates to be admitted to the official list of securities maintained by the DFSA (the "**DFSA Official List**") and to Nasdaq Dubai for admission to trading on Nasdaq Dubai. References in this Base Prospectus to Certificates being "listed" (and all related references) shall mean that such Certificates have been (a) admitted to the Official List and the DFSA Official List, (b) admitted to trading on the regulated market of Euronext Dublin and on Nasdaq Dubai and/or (c) another MiFID II regulated market as may be specified in the applicable final terms relating to the relevant Tranche (the "**applicable Final Terms**" or "**Final Terms**"). The Programme provides that Trust Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, the Government and the relevant Dealer(s). However, unlisted Trust Certificates may also be issued pursuant to the Programme. The Final Terms in respect of the issue of any Trust Certificates will specify whether or not such Trust Certificates will be (a) listed on the Official List and admitted to trading on Euronext Dublin's regulated market and/or (b) listed on the DFSA Official List and admitted to trading on Nasdaq Dubai (or any other stock exchange). The Programme has been rated BBB+ by S&P Global Ratings Europe Limited ("**S&P**") and A3 by Moody's Investors Service, Inc. ("**Moody's**"). Sharjah has been assigned a long-term and local currency sovereign credit rating of BBB+ by S&P with a stable outlook and a long-term issuer rating of A3 by Moody's with a stable outlook. S&P is established in the EU and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the "**CRA Regulation**"). As such, S&P is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with the CRA Regulation. Trust Certificates issued under the Programme may be rated or unrated. Where a Tranche of Trust Certificates is rated, such rating will be disclosed in the applicable Final Terms. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Trust Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Trust Certificates may be offered or sold solely to persons who are not U.S. persons outside the United States in reliance on Regulation S. Each purchaser of the Trust Certificates is hereby notified that the offer and sale of any Trust Certificates to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

Each Series of Trust Certificates will be initially represented by interests in a global trust certificate in registered form (each, a "**Global Trust Certificate**"). The Global Trust Certificates will be deposited with, and registered in the name of a nominee of, a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking SA ("**Clearstream, Luxembourg**"). Interests in the Global Trust Certificates will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg. Definitive Trust Certificates evidencing holdings of interests in the Trust Certificates will be issued in exchange for interests in the relevant Global Trust Certificate only in certain limited circumstances described therein.

The transaction structure relating to the Trust Certificates (as described in this Base Prospectus) has been approved by the Fatwa and Shariah Supervisory Board of Dubai Islamic Bank P.J.S.C., the Central Shari'ah Committee of HSBC Bank Middle East Limited, the Fatwa and Sharia'a Supervisory Board of Sharjah Islamic Bank and the Shariah Supervisory Committee of Standard Chartered Bank. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Trust Certificates and should consult their own *Shari'a* advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with *Shari'a* principles.

Arrangers

HSBC | **Standard Chartered Bank**

Dealers

Dubai Islamic Bank P.J.S.C. | **HSBC**
Sharjah Islamic Bank P.J.S.C. | **Standard Chartered Bank**

The date of this Base Prospectus is 20 March 2019.

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Trustee, the Government and the Trust Certificates which, according to the particular nature of the Trustee, the Government and the Trust Certificates, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses (if applicable) and prospects of the Trustee and the Government.

The Trustee and the Government accept responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each of the Trustee and the Government (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus should be read and construed together with any supplements hereto and, in relation to any Tranche of Trust Certificates, should be read and construed together with the applicable Final Terms.

Copies of Final Terms will be available from the specified office set out below (See "*General Information — Documents Available*") of the Principal Paying Agent (as defined below) save that, if the relevant Trust Certificates are either (A) not listed on the Official List and neither admitted to trading on the regulated market of Euronext Dublin or any other regulated market in the European Economic Area (the "**EEA**") nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive or (B) not listed on the DFSA Official List and admitted to trading on Nasdaq Dubai, the applicable Final Terms will only be obtainable by a Certificateholder holding one or more Trust Certificates and such Certificateholder must produce evidence satisfactory to the Trustee or, as the case may be, the Principal Paying Agent as to its holding of such Trust Certificates and identity.

In the case of any Trust Certificates which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in any EU Member State in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Trust Certificates).

To the fullest extent permitted by law, none of the Dealers, the Arrangers (as specified under "*Overview*"), the Agents (as defined in the "*Terms and Conditions of the Trust Certificates*") or the Delegate accepts any responsibility (i) for the contents of this Base Prospectus, (ii) for any acts or omissions of the Trustee, the Government or any other person (other than the relevant Dealer or Arrangers) in connection with this Base Prospectus or the issue and offering of the Trust Certificates or (iii) for any other information provided in connection with the Trustee, the Government, the Programme or any Trust Certificates issued thereunder. Each Arranger, Dealer, Agent and the Delegate accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

None of the Dealers or the Arrangers will regard any actual or prospective holders of Trust Certificates (whether or not a recipient of this Base Prospectus and/or the relevant Final Terms) as their client in relation to the offering described in this Base Prospectus and/or the relevant Final Terms and will not be responsible to anyone other than the Trustee for providing the protections afforded to its clients nor for providing the services in relation to the offering described in this Base Prospectus and/or the relevant Final Terms or any transaction or arrangement referred to herein or therein.

No person is or has been authorised by the Trustee or the Government to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the issue or sale of the Trust Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Government, the Trustee, the Delegate, the Arrangers, any Dealer or any Agent.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Trust Certificates (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Government, the Trustee, the Delegate, any Arranger, any Dealer, or any Agent that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Trust Certificates should purchase any Trust Certificates. Each investor contemplating purchasing Trust Certificates should determine for itself the relevance of the information contained in this Base Prospectus, make its own independent investigation of the financial condition and

affairs, and its own appraisal of the creditworthiness of the Trustee and the Government and its purchase of any Trust Certificates should be based upon such investigation as it deems necessary. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Trust Certificates constitutes an offer or invitation by or on behalf of the Government, the Trustee, the Delegate, the Arrangers, any Dealer or the Agents to any person to subscribe for or to purchase any Trust Certificates. None of the Dealers, the Arrangers, the Agents or the Delegate undertakes to review the financial condition or affairs of the Trustee or the Government during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Trust Certificates of any information coming to the attention of any of the Dealers, the Arrangers, the Agents or the Delegate.

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

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Trust Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Trust Certificates may be restricted by law in certain jurisdictions. The Government, the Trustee, the Delegate, the Arrangers, the Dealers and the Agents do not represent that this Base Prospectus may be lawfully distributed, or that any Trust Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Government, the Trustee, the Delegate, the Arrangers, the Dealers or the Agents, which is intended to permit a public offering of any Trust Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Trust Certificates may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Trust Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Trust Certificates. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Trust Certificates in the United States, the United Kingdom, the European Economic Area, the Kingdom of Bahrain, the Sultanate of Oman, Kingdom of Saudi Arabia, State of Qatar (including the Qatar Financial Centre), the Cayman Islands, the UAE (excluding the Dubai International Financial Centre (the "**DIFC**")), the DIFC, the State of Kuwait, Hong Kong, Singapore and Malaysia (and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Trust Certificates) (see "*Subscription and Sale*").

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

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

The Trust Certificates are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Trust Certificates which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Trust Certificates will perform under changing conditions, the resulting effects on the value of such Trust Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

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

each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisors, whether it:

(a) has sufficient knowledge and experience to make a meaningful evaluation of the Trust Certificates and the complex structure thereof, the merits and risks of investing in the Trust Certificates and the information contained in this Base Prospectus or any applicable supplement;

(b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Trust Certificates and the impact the Trust Certificates will have on its overall investment portfolio;

(c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Trust Certificates, including where the currency of payment is different from the potential investor's currency;

(d) understands thoroughly the terms of the Trust Certificates and is familiar with the behaviour of any relevant indices and financial markets;

(e) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks; and

(f) is able to evaluate the compliance of the Trust Certificates with *Shar'ia* principles.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Trust Certificates are legal investments for it, (2) the Trust Certificates can be used as collateral for various types of financing and (3) other restrictions apply to its purchase or pledge of any Trust Certificates. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Trust Certificates under any applicable risk-based capital or similar rules.

NOTICE TO UK RESIDENTS

Any Trust Certificates to be issued under the Programme which do not constitute "alternative finance investment bonds" ("AFIBs") within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000, as amended (the "FSMA")) which has not been authorised, recognised or otherwise approved by the United Kingdom Financial Conduct Authority. Accordingly, any Trust Certificates to be issued under the Programme must not be marketed in the United Kingdom to the general public and this Base Prospectus is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Base Prospectus, any Final Terms and any other marketing materials relating to the Trust Certificates is being addressed to, or directed at: (A) if the distribution of the Trust Certificates (whether or not such Trust Certificates are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"); (ii) persons falling within any of the categories of persons described in Article 49 (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the Trust Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "Promotion of CISs Order"); (ii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order.

Persons of any other description in the United Kingdom may not receive and should not act or rely on this Base Prospectus, any Final Terms or any other marketing materials in relation to the Trust Certificates.

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

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

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

THE APPLICABLE FINAL TERMS IN RESPECT OF ANY SERIES OF TRUST CERTIFICATES MAY INCLUDE A LEGEND ENTITLED "MIFID II PRODUCT GOVERNANCE" WHICH WILL OUTLINE THE TARGET MARKET ASSESSMENT IN RESPECT OF THE TRUST CERTIFICATES AND WHICH CHANNELS FOR DISTRIBUTION OF THE TRUST CERTIFICATES ARE APPROPRIATE. ANY PERSON SUBSEQUENTLY OFFERING, SELLING OR RECOMMENDING THE TRUST CERTIFICATES (A "DISTRIBUTOR") SHOULD TAKE INTO CONSIDERATION THE TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO MIFID II IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE TRUST CERTIFICATES (BY EITHER ADOPTING OR REFINING THE TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.

A DETERMINATION WILL BE MADE IN RELATION TO EACH ISSUE ABOUT WHETHER, FOR THE PURPOSE OF THE MIFID PRODUCT GOVERNANCE RULES UNDER EU DELEGATED DIRECTIVE 2017/593 (THE "MIFID PRODUCT GOVERNANCE RULES"), ANY DEALER SUBSCRIBING FOR ANY TRUST CERTIFICATES IS A MANUFACTURER IN RESPECT OF SUCH TRUST CERTIFICATES, BUT OTHERWISE NEITHER THE ARRANGERS NOR THE DEALERS NOR ANY OF THEIR RESPECTIVE AFFILIATES WILL BE A MANUFACTURER FOR THE PURPOSE OF THE MIFID PRODUCT GOVERNANCE RULES.

PROHIBITION ON SALES TO EEA RETAIL INVESTORS

IF THE APPLICABLE FINAL TERMS IN RESPECT OF ANY SERIES OF TRUST CERTIFICATES INCLUDES A LEGEND ENTITLED "PROHIBITION OF SALES TO EEA RETAIL INVESTORS", THE TRUST CERTIFICATES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II; (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC (AS AMENDED OR SUPERSEDED), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS DIRECTIVE. CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE TRUST CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE TRUST CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO

ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

VOLCKER RULE

The Trustee may be deemed to be a "covered fund" for purposes of Section 13 of the Bank Holding Company Act of 1956, as amended (in particular, by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010), and any implementing regulations and related guidance (the "**Volcker Rule**"). Further, the Trust Certificates may constitute an "ownership interest" for the purposes of the Volcker Rule. As a result, the Volcker Rule may, subject to certain exemptions, prohibit certain banking institutions from, directly or indirectly, acquiring or retaining the Trust Certificates. This prohibition may adversely affect the liquidity and market price of the Trust Certificates. In addition, any entity that is a "banking entity" under the Volcker Rule and is considering an investment in the Trust Certificates should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally.

NOTICE TO BAHRAIN RESIDENTS

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

This Base Prospectus does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Prospectus and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Trust Certificates may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors (as such term is defined by the CBB) for an offer outside the Kingdom of Bahrain.

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

NOTICE TO RESIDENTS OF OMAN

The information contained in this Base Prospectus does not constitute an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74, as amended) (the "Commercial Companies Law") or Article 3 of the Capital Market Law of Oman (Royal Decree 80/98, as amended) nor does it constitute a sukuk offering pursuant to the Sukuk Regulation issued by the Oman Capital Market Authority (CMA Decision 3/2016). This Base Prospectus will only be made available to investors in Oman in accordance with Article 139 of the Executive Regulations of the Capital Market Law (CMA Decision 1/2009, as amended) (the "Executive Regulations") by an entity duly licensed by the Oman Capital Market Authority to market non- Omani securities in Oman.

This Base Prospectus has not been (and will not be) filed with the Oman Capital Market Authority (except in accordance with Article 139 of the Executive Regulations), the Central Bank of Oman or any other regulatory authority in Oman and neither the Oman Capital Market Authority nor the Central Bank of Oman assumes responsibility for the accuracy and adequacy of the statements and

information contained in this Base Prospectus and shall not have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

KINGDOM OF SAUDI ARABIA NOTICE

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

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

NOTICE TO RESIDENTS OF QATAR

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

NOTICE TO RESIDENTS OF THE CAYMAN ISLANDS

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

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

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

STABILISATION

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF TRUST CERTIFICATES, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILISING MANAGER(S) (OR ANY PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S)) IN THE APPLICABLE FINAL TERMS MAY OVER-ALLOT TRUST CERTIFICATES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE TRUST CERTIFICATES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION ACTION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF TRUST CERTIFICATES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF TRUST CERTIFICATES. ANY

STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

BENCHMARKS REGULATION

Amounts payable on Trust Certificates issued under the Programme may be calculated by reference to either LIBOR, EURIBOR, KIBOR, SHIBOR, HIBOR, KLIBOR, SIBOR, EIBOR or SAIBOR as specified in the applicable Final Terms. As at the date of this Base Prospectus, the administrator of LIBOR, ICE Benchmark Administration Limited appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmarks Regulation**"). As at the date of this Base Prospectus, the administrators of EURIBOR, KIBOR, SHIBOR, HIBOR, KLIBOR, SIBOR, EIBOR and SAIBOR are not included in ESMA's register of administrators under Article 36 of the Benchmarks Regulation. As far as the Trustee is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the administrators of EURIBOR, KIBOR, SHIBOR, HIBOR, KLIBOR, SIBOR, EIBOR and SAIBOR are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

SUPPLEMENTARY BASE PROSPECTUS

If at any time the Trustee and the Government shall be required to prepare a supplementary base prospectus pursuant to Regulation 51 of Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland (S.I. No. 324 of 2005) (the "**Irish Prospectus Regulations**") and Article 16 of the Prospectus Directive, the Trustee and the Government will prepare and make available a supplement to this Base Prospectus which, in respect of any subsequent issue of Trust Certificates to be listed on the Official List and admitted to trading on the regulated market of Euronext Dublin, shall constitute a supplementary base prospectus as required by Regulation 51 of the Irish Prospectus Regulations and Article 16 of the Prospectus Directive.

Each of the Trustee and the Government has given an undertaking to the Arrangers and the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Trust Certificates and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses (if applicable) and prospects of each of the Trustee and the Government, and the rights attaching to the Trust Certificates, the Trustee and the Government shall prepare a supplement to this Base Prospectus or publish a replacement base prospectus for use in connection with any subsequent offering of the Trust Certificates and shall supply to each Arrangers and Dealer such number of copies of such supplement hereto as such Arrangers or Dealer may reasonably request.

PRESENTATION OF STATISTICAL INFORMATION

The statistical information in this Base Prospectus has been derived from a number of different identified sources. Certain information (for example information relating to the balance of payments and information under the heading "*Monetary and Financial System*") is only available on a federal basis relating to the entire UAE and investors should note that Sharjah's specific position may differ in material respects from the position at an overall federal level. All statistical information provided in this Base Prospectus may differ from that produced by other sources for a variety of reasons, including the use of different definitions and cut-off times. Statistical information provided in respect of a certain year may be changed retrospectively in subsequent years when more recent statistical information is published.

Some statistical information has also been derived from information publicly made available by third parties such as the International Monetary Fund (the "**IMF**"). Where such third party information has been so sourced, the source is stated where it appears in this Base Prospectus. The Trustee confirms that it has accurately reproduced such information and that, so far as it is aware and is able to ascertain from information published by third parties, it has omitted no facts which would render the reproduced information inaccurate or misleading.

Similar statistics may be obtainable from other sources, but the date of publication, underlying assumptions, methodology and, consequently, the resulting data may vary from source to source. In addition, statistics

and data published by one ministry or agency may differ from similar statistics and data produced by other agencies or ministries due to differing underlying assumptions, methodology or timing of when such data is reproduced. Certain historical statistical information contained herein is provisional or otherwise based on estimates that Sharjah and/or its agencies believe to be based on reasonable assumptions. Sharjah's official financial and economic statistics are subject to regular internal review as part of a regular confirmation process. Accordingly, the financial and economic information set out in this Base Prospectus may be subsequently adjusted or revised and may differ from previously published financial and economic information. While Sharjah does not expect such revisions to be material, no assurance can be given that material changes will not be made.

Information contained herein that is identified as being derived from a publication of Sharjah or one of its agencies or instrumentalities is included herein on the authority of such publication as an official public document of Sharjah. All other information contained herein with respect to Sharjah is included as an official public statement made on the authority of the Sharjah Finance Department of the Government.

PRESENTATION OF ECONOMIC INFORMATION

Annual information presented in this Base Prospectus is based upon the calendar year (which is the fiscal year for the UAE and Sharjah), unless otherwise indicated. Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be the sum of the figures which precede them. Statistical information reported herein has been derived from official publications of, and information supplied by, a number of agencies and ministries of the Government, including the Department of Statistics and Community Development and Sharjah Finance Department. Some statistical information has also been derived from information publicly made available by third parties such as the UAE Federal Competitiveness and Statistics Authority (formerly the National Bureau of Statistics) (the "**FCSA**") and the UAE Central Bank. Where such third party information has been so sourced, the source is stated where it appears in this Base Prospectus. The Government confirms that it has accurately reproduced such information and that, so far as it is aware and is able to ascertain from information published by third parties, it has omitted no facts which would render the reproduced information inaccurate or misleading.

PRESENTATION OF INFORMATION

Certain Defined Terms and Conventions

References to any individual period such as 2014 and subsequent years are references to a calendar year commencing on 1 January and ending on 31 December in the same year. All references in this document to "**AED**" and "**U.A.E. Dirham**" are to the currency of the UAE; to "**U.S. Dollars**", "**U.S.$**" and "**$**" are to the currency of the United States of America. The UAE Dirham has been pegged to the U.S. Dollar since 22 November 1980. The mid-point between the official buying and selling rates for the UAE Dirham is at a fixed rate of AED3.6725 = U.S.$1.00. For ease of presentation, certain financial information relating to Sharjah included herein is presented as translated into U.S. Dollars at the U.S. Dollar/AED rates of exchange deemed appropriate by Sharjah. Unless otherwise specified, such rates were applicable as of the end of such specified period(s). Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted into U.S. Dollars at that or any other rate. References to "**SDR**" are to the Special Drawing Right, a unit of account having the meaning ascribed to it from time to time by the Rules and Regulations of the IMF. References to "**Renminbi**" and "**RMB**" are to the lawful currency of the People's Republic of China (the "**PRC**") (which, for the purposes of this Base Prospectus, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan). References in this document to "**billions**" are to thousands of millions. References to the "**Government**" are to the government of Sharjah. References to "**Sharjah**" and to the "**Emirate**" are to the Emirate of Sharjah. References to the "**UAE**" are to the United Arab Emirates.

Foreign Language

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Base Prospectus constitute forward-looking statements. Statements that are not historical facts are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue", "could", "should", "would" or similar terminology. These forward-looking statements are contained in the sections entitled "*Risk Factors*", "*Description of the Emirate of Sharjah*" and "*The Economy of Sharjah*" and other sections of this Base Prospectus.

Although the Government believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise, including those identified below or which the Government has otherwise identified in this Base Prospectus, or if any of the Government's underlying assumptions prove to be incomplete or inaccurate, the financial, political or economic condition of Sharjah may vary from that expected, estimated or predicted. Investors are therefore strongly advised to read the sections entitled "*Risk Factors*", and "*The Economy of Sharjah*", which include a more detailed description of the factors that might have an impact on the financial, political or economic condition of Sharjah.

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

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OVERVIEW OF THE PROGRAMME

Words and expressions defined in the "*Terms and Conditions of the Trust Certificates*", (the "**Conditions**") shall have the same meanings in this overview.

Issuer, Trustee, Purchaser and Lessor	Sharjah Sukuk Programme Limited, an exempted limited liability company incorporated in the Cayman Islands under the Companies Law (2016 Revision) (as amended). The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party.
Trustee's Legal Entity Identifier	549300N3BQ9P6RRMVV02.
Obligor, Seller, Lessee, Buyer, Servicing Agent and the Government	The Government of the Emirate of Sharjah, acting through the Sharjah Finance Department (the "**Government**").
Arrangers	HSBC Bank plc Standard Chartered Bank
Dealers	Dubai Islamic Bank P.J.S.C. HSBC Bank plc Sharjah Islamic Bank P.J.S.C. Standard Chartered Bank and any other Dealers appointed in accordance with the Dealer Agreement.
Delegate	Deutsche Trustee Company Limited.
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Principal Paying Agent and Transfer Agent	Deutsche Bank AG, London Branch.
Calculation Agent	Deutsche Bank AG, London Branch (or such other institution specified in the applicable Final Terms).
Negative Pledge	The Purchase Undertaking contains a negative pledge given by the Government.
Trustee Covenants	The Trustee has agreed to certain restrictive covenants as set out in "*Covenants*" in the Conditions.
Cross-default	In respect of the Government, the Trust Certificates will have the benefit of a cross-default provision, as described in sub-paragraph (iii) of the definition of "*Government Event*" corresponding thereto (contained in the Conditions).
Status of the Trust Certificates	Each Trust Certificate evidences an undivided ownership interest of the Certificateholders in the Trust Assets subject to the terms of the Declaration of Trust and the Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Trust Certificate will rank *pari passu*, without any preference or priority, with all other Trust Certificates. All amounts due from the Government under the Transaction Documents to which it is a party will constitute direct, unconditional, unsubordinated and unsecured obligations of the Government and will rank *pari passu* among themselves and at least *pari passu* with all other present and future

	unsubordinated and unsecured obligations of the Government, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Meetings of Certificateholders	The Conditions contain a "collective action" clause which permits defined majorities to bind all Certificateholders. If the Trustee issues future securities which contain collective action clauses in substantially the same form as the collective action clause in the Conditions, the Trust Certificates would be capable of aggregation with any such future securities. See "*Risk Factors — Risk factors relating to the Trust Certificates — The Conditions contain a "collective action" clause under which the terms of any one Series of Trust Certificates or multiple Series of Trust Certificates may be amended, modified or waived without the consent of all Certificateholders*".
Further Issues	On the relevant Issue Date of any additional Tranche of Trust Certificates issued in accordance with the provisions described above: (i) the Government (in its capacity as seller) and the Trustee (in its capacity as purchaser) may enter into a Supplemental Purchase Agreement for the sale, transfer and conveyance of the relevant assets described in the schedule thereto (the "**Additional Asset(s)**"); and (ii) **provided that** the value of Additional Asset(s) (if any) is less than the aggregate face amount of the additional Trust Certificates, or where no Additional Assets are being purchased by the Trustee (in its capacity as purchaser) from the Government (in its capacity as seller) in relation to any additional Tranche of Trust Certificates, on receipt of a purchase order from the Government (acting as buyer) and in accordance with the Master Murabaha Agreement, the Government may purchase commodities from Sharjah Sukuk Programme Limited at a Deferred Sale Price equal to the aggregate of: (i) the aggregate issue proceeds of the additional Trust Certificates less the purchase price of the Additional Asset(s) (if any); and (ii) the relevant Profit Amount (as defined in the Master Murabaha Agreement). The Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the relevant existing Trust Certificates and the holders of such additional Trust Certificates so created and issued, declaring that the relevant Additional Asset(s) (if any) and the Relevant Lease Asset(s) (if any) in respect of the relevant Series as in existence immediately prior to the creation and issue of the additional Trust Certificates and the Commodity Murabaha Investments (if any) relating to the relevant Series (and all rights arising under or with respect to such Commodity Murabaha Investments, including the right to receive payment of the relevant Deferred Sale Price) is/are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of such existing Trust Certificates and the holders of such additional Trust Certificates.
Use of Proceeds	The net proceeds of each Tranche of Trust Certificates issued under the Programme will be paid by the Trustee (in its capacity as purchaser) on the relevant Issue Date to or to the order of the Government (in its capacity as seller) as the purchase price for: (A) (i) in relation to the first Tranche of

	each Series, the assets described in the Schedule to the relevant Supplemental Purchase Agreement (the "**Asset(s)**"); or (ii) in relation to any additional Tranche of Trust Certificates issued pursuant to "**Further Issues**" in the Conditions, the Additional Asset(s), in each case, pursuant to the relevant Purchase Agreement (and as defined therein) and (B) Commodities (if any) to be sold to the Government pursuant to the relevant Murabaha Agreement (and as defined therein).
Risk Factors	There are certain factors that may affect the Trustee's and Government's ability to fulfil its respective obligations under the Trust Certificates. See "*Risk Factors*".
Issuance in Series	Trust Certificates will be issued in Series. Each Series may comprise one or more Tranches issued on different Issue Dates. The Trust Certificates of each Series will have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts thereon and the date from which Periodic Distribution Amounts start to accrue.
Distribution	Trust Certificates may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Trustee, the Government and the relevant Dealer(s).
Maturities	The Trust Certificates will have such maturities as may be agreed between the Trustee, the Government and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee, the Government or the relevant Specified Currency.
Denominations	The Trust Certificates will be issued in such denominations as may be agreed between the Trustee, the Government and the relevant Dealer(s), save that: (i) the minimum denomination of each Trust Certificate will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency; (ii) the minimum denomination of each Trust Certificate admitted to trading on a regulated market within the European Economic Area or offered to the public in an EU Member State, in circumstances which require the publication of a prospectus under the Prospectus Directive, will be at least €100,000 (or, if the Trust Certificates are denominated in a currency other than euro, the equivalent amount in such currency, as calculated on the date of issue of the Trust Certificates (the "**Issue Date**" of the relevant Tranche); and (iii) unless otherwise permitted by such current laws and regulations, Trust Certificates (including Trust Certificates denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Trustee in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or, if the Trust

	Certificates are denominated in a currency other than sterling, the equivalent amount in such currency, as calculated on the Issue Date of the relevant Tranche).
Issue Price	Trust Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms. The price and amount of Trust Certificates to be issued under the Programme will be determined by the Trustee, the Government and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Form of Trust Certificates	The Trust Certificates will be issued in registered form as described in "*Form of the Trust Certificates*".
Clearing Systems	Certificateholders must hold their interest in the relevant Global Trust Certificate in book-entry form through Euroclear and/or Clearstream, Luxembourg in relation to any Series, such other clearing system in which the relevant Global Trust Certificate is held. Transfers within and between each of Euroclear or Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system.
Periodic Distributions	Certificateholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the applicable Final Terms.
Redemption of Trust Certificates on Scheduled Dissolution Date	Trust Certificates shall be redeemed on the Scheduled Dissolution Date at the relevant Final Dissolution Amount specified in the applicable Final Terms.
Optional Dissolution	If so specified in the applicable Final Terms, a Series of Trust Certificates may be redeemed prior to its Scheduled Dissolution Date at the Optional Dissolution (Call) Amount or the Clean Up Call Dissolution Amount, as applicable, in the circumstances set out in "*Terms and Conditions of the Trust Certificates — Dissolution at the Option of the Government (Optional Dissolution Call Right*" or "*Terms and Conditions of the Trust Certificates — Dissolution at the Option of the Government (Clean Up Call Right)*", as applicable.
Dissolution Events	Upon the occurrence of any Dissolution Event, the Trust Certificates may be redeemed on the Dissolution Event Redemption Date at the Dissolution Event Amount (which shall include any accrued but unpaid Periodic Distribution Amount) and the Return Accumulation Period may be adjusted accordingly, as described in "*Terms and Conditions of the Trust Certificates — Dissolution Events*".
Early Dissolution for Tax Reasons	Where the Trustee has or will become obliged to pay any additional amounts in respect of the Trust Certificates pursuant to Condition 13 or the Government has or will become obliged to pay any additional amounts in respect of amounts payable under the Lease Agreement or the Purchase Undertaking as a result of a change in the laws of a Relevant Jurisdiction (as defined in the Conditions, but excluding Sharjah) and where such obligation cannot be avoided by the Trustee or the Government, as applicable, taking reasonable measures available to it, the Trustee may, following receipt of an exercise notice from the Government pursuant to the Sale and Substitution Undertaking, redeem the Trust

	Certificates in whole but not in part at their face amount together with any accrued but unpaid Periodic Distribution Amounts on the relevant Dissolution Date in accordance with Condition 11.2.
Certificateholder Put Right	If so specified in the applicable Final Terms, Certificateholders may, in the circumstances set out in "*Terms and Conditions of the Trust Certificates — Dissolution at the Option of the Certificateholders*" elect to redeem their Trust Certificates on any Certificateholder Put Right Date(s), **provided that** such date is a Periodic Distribution Date, unless otherwise specified in the applicable Final Terms at the applicable Optional Dissolution Amount (Put) specified in, or determined in the manner specified in, the applicable Final Terms together with all accrued and unpaid Periodic Distribution Amounts in accordance with Condition 11.2.
Total Loss Event	Save where the Relevant Lease Asset(s) is/are replaced in accordance with the Servicing Agency Agreement by no later than the 30th day after the occurrence of a Total Loss Event, the occurrence of a Total Loss Event will result in the redemption of the Trust Certificates of that Series and the consequent dissolution of the relevant Trust no later than the 31st day after the occurrence of such Total Loss Event (being the Total Loss Dissolution Date) in accordance with Condition 11.4. If a Total Loss Event occurs the Servicing Agent shall be responsible for ensuring that all proceeds of Insurances in respect thereof (if any) are each paid in the Specified Currency directly into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event. If a Total Loss Event occurs and the Relevant Lease Asset(s) is/are not replaced as discussed above, and the amount of the proceeds of Insurances (if any) credited to the Transaction Account is less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount credited to the Transaction Account being the "**Total Loss Shortfall Amount**"), the Servicing Agent shall be responsible for paying the Total Loss Shortfall Amount directly into the Transaction Account by no later than close of business in London on the 30th day after the Total Loss Event has occurred, such that the amount standing to the credit of the Transaction Account on the Total Loss Dissolution Date represents the aggregate of the proceeds of Insurances payable in respect of a Total Loss Event (if any) and the Total Loss Shortfall Amount payable by the Servicing Agent in accordance with the terms of the Servicing Agency Agreement. Rental payments under the Lease Agreement and, therefore, Periodic Distribution Amounts, shall cease to accrue with effect from the date on which a Total Loss Event occurs, and no additional rental payment shall be made in respect of the period between the date on which the Total Loss Event occurred and the Total Loss Dissolution Date
Cancellation of Trust Certificates held by the Trustee, the Government	The Trustee, the Government of the Emirate of Sharjah, the Sharjah Finance Department and/or any other public sector instrumentality of the Government of the Emirate of Sharjah

and/or any other public sector instrumentality	(as defined in "*Terms and Conditions of the Trust Certificates — Meetings of Certificateholders; Written Resolutions — Trust Certificates controlled by the Trustee or the Government*") may at any time purchase Trust Certificates at any price in the open market or otherwise. Following any purchase of Trust Certificates, the Trustee, the Government of the Emirate of Sharjah, the Sharjah Finance Department and/or any other public sector instrumentality of the Government of the Emirate of Sharjah, as the case may be, may at its option hold or resell such Trust Certificates. Should the Government wish to cancel any Trust Certificates so purchased, it shall deliver a Cancellation Notice to the Trustee (in accordance with the Sale and Substitution Undertaking) whereupon the Trustee shall (i) in accordance with the terms of the Sale and Substitution Undertaking, be obliged to transfer all of the Trustee's rights, title and interests in, to and under the Cancelled Lease Asset(s) to the Government and (ii) in accordance with the terms of the Master Murabaha Agreement, be obliged to exercise its rights to receive the Deferred Sale Price in accordance with the terms of such agreement (to the extent applicable), in each case in consideration for which the relevant Trust Certificates shall be cancelled. The transfer of the Cancelled Lease Asset(s) will take effect by the Government (as purchaser) and the Trustee (as seller) entering into a Sale Agreement (in the form scheduled to the Sale and Substitution Undertaking). Following the entry into such Sale Agreement, the Trustee shall forthwith surrender to the Registrar the relevant Trust Certificates identified for cancellation in the Cancellation Notice on the Cancellation Date.
Substitution of Lease Asset(s)	Pursuant to the Sale and Substitution Undertaking, the Government may, at any time, exercise its right to require the Trustee to substitute on any Substitution Date some or all of the Relevant Lease Asset(s) with New Asset(s) (as specified in the relevant Substitution Notice, and each as defined in the Sale and Substitution Undertaking) having a value which is equal to or greater than the value of the Relevant Lease Asset(s) being substituted.
Withholding Tax	All payments by the Government (in its capacity as lessee) under a Lease Agreement shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction unless the withholding or deduction is required by law. In that event, the Government (as lessee) shall be required to pay such additional amounts as will result in the receipt by the Trustee (as lessor) of such amounts as would have been received by it, had no such deduction or withholding been required. All payments in respect of Trust Certificates shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within the Relevant Jurisdiction, unless the withholding or deduction is required

	by law. For further information, see "*Public Finance — Taxation — Withholding Tax*". In that event, the Trustee shall, save in the limited circumstances provided in "*Terms and Conditions of the Trust Certificates — Taxation*", be required to pay such additional amounts as will result in the receipt by the Certificateholders of such amounts as would have been received by them, had no such withholding or deduction been required. Sharjah has been assigned a long-term and local currency sovereign credit rating of BBB+ by S&P with a stable outlook and a long-term issuer rating of A3 by Moody's with a stable outlook. The ratings assigned to each Series of Trust Certificates (if any) to be issued under the Programme will be specified in the applicable Final Terms. A rating is not a recommendation to buy, sell or hold the Trust Certificates (or beneficial interests therein) and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Whether or not each any credit rating applied for in relation to the relevant Series of Trust Certificates will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) will be disclosed in the applicable Final Terms.
Listing and admission to trading	Application will be made to: (i) Euronext Dublin for each Series of the Trust Certificates issued under the Programme to be admitted to the Official List and to trading on its regulated market; (ii) the DFSA for the Trust Certificates to be admitted to listing on the DFSA Official List and to the Nasdaq Dubai for the Trust Certificates to be admitted to trading on Nasdaq Dubai, or (iii) as otherwise specified in the applicable Final Terms and references to listing shall be construed accordingly. As specified in the applicable Final Terms, a Series of Trust Certificates may be unlisted.
Listing Agent	Arthur Cox Listing Services Limited of Ten Earlsfort Terrace, Dublin 2, Ireland.
Governing Law and Dispute Resolution	The Trust Certificates will be governed by, and construed in accordance with, English law. The Master Declaration of Trust, each Supplemental Declaration of Trust, the Dealer Agreement, each Subscription Agreement, the Agency Agreement, the Master Murabaha Agreement, the Servicing Agency Agreement, the Purchase Undertaking and the Sale and Substitution Undertaking will be governed by and construed in accordance with English law. In respect of any dispute under any such Transaction Document to which it is a party, the Government has consented to arbitration in London under the rules of arbitration of the LCIA (with the seat in London). The Government and the Trustee have also agreed to submit to the jurisdiction of the courts of England (the "**English Courts**") in respect of any dispute under any such Transaction Document (subject to the right of the Delegate, the Agents or the Trustee, as the case may be, to require any dispute to be resolved by any other court of competent jurisdiction).

	The Master Purchase Agreement, each Supplemental Purchase Agreement, the Master Lease Agreement, each Supplemental Lease Agreement and each Sale Agreement will be governed by the laws of Sharjah and, to the extent applicable in Sharjah, the federal laws of the UAE, and will be subject to the exclusive jurisdiction of the Sharjah courts.
Waiver of Immunity	The Government has agreed in the Transaction Documents to which it is a party that to the extent that it may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgement or otherwise) or other legal or arbitral process and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, that it will not claim and has irrevocably waived such immunity to the full extent permitted by the laws of such jurisdiction.
Limited Recourse	Each Trust Certificate represents solely an undivided ownership interest in the Trust Assets of the relevant Series. No payment of any amount whatsoever shall be made in respect of the Trust Certificates of each Series except to the extent that funds for that purpose are available for the Trust Assets of that Series, as described in "*Terms and Conditions of the Trust Certificates — Status and Limited Recourse*".
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Trust Certificates in the United States, the United Kingdom, the European Economic Area, the Kingdom of Bahrain, the Sultanate of Oman, the Kingdom of Saudi Arabia, the State of Qatar (including the Qatar Financial Centre), the Cayman Islands, the UAE (excluding the DIFC), the DIFC, the State of Kuwait, Hong Kong, Singapore and Malaysia such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Trust Certificates, see "*Subscription and Sale*" and "*Transfer Restrictions*" below.
United States Selling Restrictions	There are restrictions on the transfer of the Trust Certificates sold pursuant to Regulation S, Category 2. See "*Subscription and Sale*" below.

RISK FACTORS

An investment in the Trust Certificates involves risks. Accordingly, prospective investors should carefully consider, amongst other things, the risks described below, as well as the detailed information set out elsewhere in this Base Prospectus, and reach their own views before making an investment decision. The risks and uncertainties described below are not the only risks and uncertainties related to the Trustee, the Government and the Trust Certificates. Additional risks and uncertainties not presently known, or currently believed to be immaterial, could also impair the ability to make payments on the Trust Certificates. If any of the following risks actually materialise, the financial condition and prospects of the Trustee and/or the Government could be materially adversely affected. If that were to happen, the trading price of the Trust Certificates could decline and the Trustee may be unable to make payments due on the Trust Certificates, and investors may lose all or part of their investment. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. Words and expression defined elsewhere in this Base Prospectus (including in the Terms and Conditions) shall have the same meanings in this section.

Risk factors relating to the Trustee

Factors that may affect the Trustee's ability to fulfil its obligations under or in connection with the Trust Certificates issued under the Programme

The Trustee has limited operating history and no material assets and will depend on receipt of payments from the Government to make payments to Certificateholders

The Trustee was incorporated under the laws of the Cayman Islands on 7 June 2017 as an exempted company with limited liability and has limited operating history. The Trustee has not and will not engage in any business activity other than the issuance of Trust Certificates under the Programme, the acquisition of the Trust Assets as described herein, acting in the capacity as Trustee, the issuance of shares in its capital and other activities incidental or related to the foregoing as required under the relevant Transaction Documents relating to each Series. Because the Trustee is a Cayman Islands company, it may not be possible for Certificateholders to effect service of process on it outside the Cayman Islands.

The Trustee's only material assets, which will be held on trust for Certificateholders, will be the Trust Assets relating to each Series of Trust Certificates, including the obligation of the Government to make payments to the Trustee under the relevant Transaction Documents to which it is a party relating to each Series. Therefore, the Trustee is subject to all the risks to which the Government is subject to the extent that such risks could limit the Government's ability to satisfy in full and on a timely basis its obligations under the Transaction Documents.

The ability of the Trustee to pay amounts due on the Trust Certificates will therefore be dependent upon receipt by the Trustee from the Government of amounts to be paid pursuant to the Transaction Documents (which may not be sufficient to meet all claims under the Trust Certificates and the Transaction Documents). As a result, the Trustee is subject to all the risks to which the Government is subject, to the extent such risks could limit the Government's ability to satisfy in full and on a timely basis, its obligations under the Transaction Documents to which it is a party. See "*—Risks relating to Sharjah and the UAE*".

Risks relating to Sharjah and the UAE

Current Regional Political Instability

Although the UAE and Sharjah enjoy domestic political stability and generally good international relations, there is no guarantee that the UAE or Sharjah will continue to do so in the future and there is a risk that regional geopolitical instability could impact the UAE and, consequently, Sharjah.

While the UAE (and consequently Sharjah) is seen as a relatively stable political environment, certain other jurisdictions in the Middle East are not and there is a risk that regional geopolitical instability could impact the UAE. Instability in the Middle East may result from a number of factors, including government or military regime change, civil unrest or terrorism. In particular, since early 2011 there has been political unrest in a range of countries in the Middle East and North Africa ("**MENA**") region, including Egypt, Algeria, Jordan, Libya, Bahrain, Saudi Arabia, Yemen, Iraq and Kurdistan, Syria, Palestine, Turkey, Tunisia and Oman.

This unrest has ranged from public demonstrations to, in extreme cases, armed conflict (including the multinational conflict with the so-called Islamic State (also known as Daesh, ISIS or ISIL)) and the overthrow of existing leadership and has given rise to increased political uncertainty across the region. Further, the UAE, along with other Arab states, is currently participating in the Saudi-led intervention in the Yemen which began in 2015 in response to requests for assistance from the Yemeni government. In addition, in June 2017 the UAE, along with Saudi Arabia, Bahrain and Egypt, ended diplomatic ties with Qatar (see "*Description of the Emirate of Sharjah — Relationship between the UAE Constitution and Sharjah — International Relations*"). Yemen, Jordan, Libya, Comoros, Senegal and Mauritania also joined the Saudi-led action shortly thereafter and several other countries including Chad, Djibouti, Maldives and Niger announced that they had downgraded their diplomatic ties with Qatar. The severing of diplomatic ties included the withdrawal of ambassadors, as well as the imposition of travel and trade restrictions, and there can be no assurance that diplomatic ties will be reinstated or that the current situation will not escalate.

These situations have caused varying levels of disruption to the economies of affected countries and have had a destabilising effect on international oil and gas prices. Though the effects of the uncertainty have been varied, it is not possible to predict the occurrence of events or circumstances such as war or hostilities, the cessation of diplomatic ties, or the impact of such occurrences, and no assurance can be given that the UAE would be able to sustain its current economic growth levels if adverse political events or circumstances were to occur. Continued instability affecting the countries in the MENA region could adversely impact the UAE and, consequently, Sharjah, although to date there has been no significant impact on the UAE or Sharjah.

Any of the foregoing circumstances could have a material adverse effect on the political and economic stability of the Middle East and, in particular, could impact the numbers of tourists that choose to visit the UAE and the number of businesses interested in doing business in the UAE and Sharjah. Sharjah is, and will continue to be, affected by economic and political developments in or affecting the UAE and the wider MENA region and investors' reactions to developments in any country in the MENA region may affect securities of issuers in other markets, including the UAE. Regional geopolitical instability of the type aforementioned (that may or may not directly involve the UAE) may have a material adverse effect on the UAE's (and, consequently, Sharjah's) attractiveness for foreign investment and capital, its ability to engage in international trade and, consequently, its economy and financial condition.

General political and economic issues

Sharjah is not a large oil producer (with the mining and quarrying sector accounting for 6.8 per cent. of Sharjah's nominal gross domestic product ("**GDP**") in 2017, according to the "FCSA", and it enjoys a relatively diverse economy. However, total hydrocarbon production in Sharjah amounted to 5.3 million barrels of oil equivalent in 2016 and 4.8 million barrels of oil equivalent in 2017, making Sharjah the third largest energy producer in the UAE after Abu Dhabi and Dubai.

According to the Organization of the Petroleum Exporting Countries ("**OPEC**") data, as at 31 December 2017, the UAE had 8.1 per cent. of proven global crude oil reserves which generated 22.3 per cent. of its nominal gross domestic product ("**GDP**") and 18.5 per cent. of the total value of the UAE's exports (including re-exports) in 2017 (according to preliminary data produced by the FCSA and the UAE Central Bank). According to the OPEC website, the price of the OPEC Reference Basket has fluctuated significantly in recent years. Since June 2014, international crude oil prices fell from a high monthly average OPEC Reference Basket price per barrel of U.S.$108 in June 2014 to a monthly average price of U.S.$26.50 in January 2016, subsequently recovering U.S.$63.82 in February 2019. Such oil price volatility has the potential to adversely affect Sharjah's economy and public finances in the future, both directly, through hydrocarbon revenues, and indirectly, through the reduced spending power of governments, companies and individuals in the region, which could, in turn, affect the trade, construction, real estate, tourism and banking sectors, in particular.

Sharjah has made efforts in recent years to stimulate its private sector-driven economy, by increasing volumes of foreign investment and tourism. Its economy is also dependent, to a large extent, on expatriate labour. These factors make it potentially more vulnerable should there be a deterioration in local political stability for any reason, if it were to lead the Government to tighten controls on the flow of labour or capital if it were to make Sharjah a less attractive destination for businesses and individuals.

While macroeconomic indicators have stabilised, there can be no assurance that the economic performance of Sharjah or the UAE can or will be sustained in the future. To the extent that economic growth or

performance in the UAE slows or begins to decline, this could have an adverse effect on Sharjah (see "*The Economy of Sharjah*" for further information).

The Government has a relatively narrow revenue base

The Government has a diverse but relatively small revenue base. For the period ended 31 December 2016, Sharjah recorded total revenues of AED 7.4 billion, whilst for the period ended 31 December 2017, total revenues were AED 8.6 billion, an increase of 16.22 per cent.

With the exception of a levy on foreign banks and hydrocarbon extraction, there is no traditional direct tax (see "*Public Finance — Government Revenue*"), although the Federal Government of the UAE (the "**Federal Government**") introduced value added tax at the rate of 5 per cent. with effect from 1 January 2018 and an excise duty on certain goods in October 2017, and may also introduce corporation and other taxes in the future. Prior to its implementation, it was estimated by officials in the UAE Ministry of Finance that value added tax would generate AED 12 billion in revenue in the first year of operation (2018) and AED 20 billion in the second year (2019). Whilst this beneficial tax environment provides an incentive for businesses and wage earners to locate to the Emirate, it potentially limits the Government's ability to increase public spending if necessary, which may adversely affect Sharjah's growth and revenue generation strategy and impact the Government's ability to satisfy its obligations under the Transaction Documents.

Sharjah's economy may be adversely affected by limitations in its control over monetary policy

The Government is not responsible for monetary policy, which is the responsibility of the Federal Government. Limited monetary policy control prevents the Government from responding to macroeconomic conditions, which may affect Government spending and liquidity within Sharjah; changing macroeconomic conditions are likely to affect Sharjah's economy indirectly through their impact on the trade, construction, real estate and banking sectors, given, in particular, the openness of Sharjah's economy, which does not have any capital or exchange controls. The inability of the Government to respond or react to such conditions through monetary policy may have a long-term negative impact on its economy as a whole.

Statistical information

The statistical information in this Base Prospectus has been derived from a number of different identified sources. Certain information (for example information relating to the balance of payments and information under the heading "*Monetary and Financial System*") is only available for the UAE as a whole from the Federal Government, and potential investors should note that Sharjah's position may differ in material respects from the position at an overall UAE level. All statistical information provided in this Base Prospectus may differ from that produced by other sources for a variety of reasons, including the use of different definitions and cut-off times (see "*Presentation of Statistical Information*"). Therefore, there can be no assurance that the statistical data appearing in this Base Prospectus is as accurate or as reliable as those published by other countries.

As at the date of this Base Prospectus, investors should be aware that certain data relating to Sharjah (for example, detailed foreign trade statistical data for 2016, 2017 and 2018 data) is not available.

Statistical information provided in respect of a certain year may be changed retrospectively in subsequent years when more recent statistical information is published

The data on non-trade flows into and out of the UAE set out in this Base Prospectus under "*Balance of Payments and Foreign Trade*" and is not complete and is subject to revision, reflecting, in part, weaknesses of the central statistical bodies, and in part, the operation of many free zones within the UAE. No data is released by the UAE on external debt, and, accordingly, only IMF estimates of the UAE's external debt are available and set out in this Base Prospectus.

The IMF, in both its 2006 consultation and 2007 consultation, identified a number of weaknesses in the statistical information prepared in relation to the UAE including with respect to data quality, coverage, frequency, timeliness and inter-sectoral consistency. In 2012 the IMF noted that the UAE had made good progress by establishing databases and improving the quality of its economic statistics, but that further progress was still required. In its consultations for 2013 to 2016, the IMF acknowledged that the UAE had made laudable progress in improving the quality of its statistical data and that its data provision was broadly adequate for surveillance, but stated that some data gaps remain. In June 2018, the UAE launched a National

Summary Data Page, becoming the first GCC country to implement the recommendations of the IMF's Enhanced General Data Dissemination System. In the IMF's 2018 Article IV report published in 2019, the IMF commended this implementation and other steps to improve economic statistics, while emphasising the need for further progress, including improving labour, fiscal, national accounts, and international investment position statistics, to facilitate decision-making and enhance transparency. Therefore, these weaknesses may continue to impact the statistical data included in this Base Prospectus.

While public finance data is consistent with the data from the Government's financial management system, this data is not subject to an external auditor's opinion.

The Government's interests may be different from the interests of Certificateholders

The interests of the Government may be different from those of the Certificateholders. Decisions made by the Government may be influenced by the need to consider the social benefit of any investment to Sharjah and its residents or other factors, which may ultimately impact the Government's ability to meet its obligations under the Transaction Documents.

The Government may be adversely affected if the UAE Dirham/U.S. Dollar peg were to be removed or adjusted

The functional and reporting currency of the Government is the UAE Dirham. The UAE Dirham has been "pegged" at a fixed exchange rate to the U.S. Dollar since 22 November 1980. The current midpoint between the official buying and selling rates for the UAE Dirham is at a fixed rate of AED 3.6725 = U.S.$1.00. The Federal Government and the UAE Central Bank have publicly stated that there is no current intention to reassess the Dollar "peg". However, there can be no assurance that UAE policy, in respect of the UAE Dirham/U.S. Dollar "peg", will remain unchanged in the future.

In addition, the UAE Central Bank does not have any flexibility to devalue the Dirham to stimulate Sharjah's exports market, and the UAE Central Bank's ability to independently manage interest rates is constrained. For example, if the U.S. Federal Reserve were to further increase interest rates, and the UAE Central Bank were to delay significantly in increasing its own rates, this could result in significant pressure on the currency "peg".

The Government is also exposed to the potential impact of any abolition of, this foreign exchange "peg". Any such "depegging", particularly if the UAE Dirham weakens against the U.S. Dollar, could have an adverse effect on Sharjah's financial condition and prospects.

Risk factors relating to the Trust Certificates

The Trust Certificates are limited recourse obligations

The Trust Certificates are not debt obligations of the Trustee. Instead, the Trust Certificates represent an undivided ownership interest solely in the Trust Assets. Recourse to the Trustee in respect of the Trust Certificates is limited to the Trust Assets and the proceeds of such Trust Assets are the sole source of payments on the Trust Certificates. Upon the occurrence of a Dissolution Event, the sole rights of each of the Delegate and, through the Delegate, the Certificateholders, will be against the Government to perform its obligations under the Transaction Documents to which it is a part. Certificateholders will have no recourse to any assets of the Trustee or the Government in respect of any shortfall in the expected amounts due under the Trust Assets. The Government is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee, and the Delegate will have direct recourse against the Government to recover such payments due to the Trustee pursuant to the Transaction Documents to which it is a party. In the absence of default by the Delegate, investors have no direct recourse to the Government and there is no assurance that the net proceeds of any enforcement action with respect to the Trust Assets (which, as described above, will be by way of enforcing each of the Government's and the Trustee's respective obligations under the Transaction Documents to which they are a party) will be sufficient to make all payments due in respect of the Trust Certificates. After enforcing the rights in respect of the Trust Assets (in the manner described above) and distributing the net proceeds of such Trust Assets in accordance with Condition 5.2), the obligations of the Trustee in respect of the Trust Certificates shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of the Trust Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets except

pursuant to the Transaction Documents. The sole right of the Trustee, the Delegate and the Certificateholders against the Government shall be to enforce the obligation of the Government under the Transaction Documents to which it is a party.

The Conditions contain a "collective action" clause under which the terms of any one Series of Trust Certificates or multiple Series of Trust Certificates may be amended, modified or waived without the consent of all Certificateholders

The Conditions contain provisions regarding amendments, modifications and waivers, commonly referred to as "collective action clauses". Such clauses permit defined majorities to bind all Certificateholders, including Certificateholders who did not vote and Certificateholders who voted in a manner contrary to the majority. The relevant provisions also permit, in relation to Reserved Matters, multiple Series of Trust Certificates to be aggregated for voting purposes (**provided that** each such Series also contains the same or similar collective action clauses in the relevant Conditions).

The Trustee expects that all Series of Trust Certificates issued under the Programme will include such collective action clauses, thereby giving the Trustee the ability to request modifications or actions in respect of Reserved Matters across multiple Series of Trust Certificates. This means that a defined majority of the holders of such Series of Trust Certificates (when taken in the aggregate only, in some circumstances, and/or individually) would be able to bind all holders of Trust Certificates in all the relevant aggregated Series.

Any modification or actions relating to Reserved Matters, including in respect of payments and other important terms, may be made to a single Series of Trust Certificates with the consent of the holders of 75 per cent. of the aggregate face amount outstanding of such Series of Trust Certificates, and to multiple Series of Trust Certificates which may be issued by the Trustee with the consent of both: (i) the holders of 66 2/3 per cent. of the aggregate face amount outstanding of all Series of Trust Certificates being aggregated; and (ii) the holders of 50 per cent. in aggregate face amount outstanding of each Series of Trust Certificates being aggregated. In addition, under certain circumstances, including the satisfaction of the Uniformly Applicable condition (as more particularly described in the Conditions), any such modification or action relating to Reserved Matters may be made to multiple Series of Trust Certificates with only the consent of 75 per cent. of the aggregate face amount outstanding of all Series of Trust Certificates being aggregated, without requiring a particular percentage of the holders in any individual affected Series of Trust Certificates to vote in favour of any proposed modification or action. Any modification or action proposed by the Trustee or the Government (as the case may be) (with the agreement of the Delegate) may, at the option of the Trustee or the Government (as the case may be), be made in respect of some Series of Trust Certificates only and, for the avoidance of doubt, the provisions may be used for different groups of two or more Series of Trust Certificates simultaneously. At the time of any proposed modification or action, the Trustee or the Government (as the case may be) will be obliged, *inter alia*, to specify which method or methods of aggregation will be used by the Trustee or the Government (as the case may be).

There is a risk, therefore, that the Conditions of a Series of Trust Certificates may be amended, modified or waived in circumstances whereby the Certificateholders voting in favour of an amendment, modification or waiver may be holders of different Series of Trust Certificates and as such, less – even significantly less – than 75 per cent. of the Certificateholders would have voted in favour of such amendment, modification or waiver.

In addition, there is a risk that the provisions allowing for aggregation across multiple Series of Certificates may make the Trust Certificates less attractive to purchasers in the secondary market on the occurrence of a Dissolution Event or in a distress situation. Further, any such amendment, modification or waiver in relation to any Trust Certificates may adversely affect their trading price.

Consents to variation of the Conditions, the Trust Certificates and the Transaction Documents

The Conditions, the Trust Certificates, the provisions of the Declaration of Trust or any other Transaction Document can only be amended by the Government and the Trustee with the prior written consent of the Delegate. The Delegate may agree, without the consent of the Certificateholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions, the Trust Certificates, the Declaration of Trust or any other Transaction Document or determine, without any such consent or sanction as aforesaid, that any Dissolution Event or Potential Dissolution Event shall not be treated as such, if, in the opinion of the Delegate:

(a) such modification is of a formal, minor or technical nature; or

(b) such modification is made to correct a manifest error; or

(c) such modification, waiver, authorisation or determination is not, in the sole opinion of the Delegate, materially prejudicial to the interests of Certificateholders and is other than in respect of a Reserved Matter,

provided that, in the case of (c) above, no such modification, waiver, authorisation or determination may be made in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of Trust Certificates.

Any such modification, waiver, authorisation or determination may be made on such terms and subject to such conditions (if any) as the Delegate may determine, shall be binding upon the Certificateholders and shall as soon as practicable thereafter be notified by the Trustee to Certificateholders in accordance with Condition 18.

Payments on the Trust Certificates are subject to exchange rate risks and exchange controls

The Trustee will make payments on the Trust Certificates in the applicable specified currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the applicable specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the applicable specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the applicable specified currency would decrease: (i) the Investor's Currency-equivalent yield on the Trust Certificates; (ii) the Investor's Currency-equivalent value of the Dissolution Amounts payable on the Trust Certificates; and (iii) the Investor's Currency-equivalent market value of the Trust Certificates.

Government and monetary authorities (including where the investor in domiciled) may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Trustee to make payments in respect of the Trust Certificates or the Government to fulfil its obligations under the Transaction Documents. As a result, investors may receive lower Periodic Distributions Amounts or Dissolution Amounts than expected, or no such amounts.

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

Rates and indices which are deemed to be "benchmarks" (such as the London Interbank Offered Rate ("**LIBOR**") and the Euro Interbank Offered Rate ("**EURIBOR**")) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Trust Certificates referencing such a benchmark.

The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and which became effective on 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Amongst other things, it: (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed); and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Trust Certificates referencing a benchmark, in particular, if the methodology or other terms of the relevant benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the

following effects on certain "benchmarks" (including LIBOR or EURIBOR): (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark"; or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Trust Certificates linked to or referencing the relevant benchmark.

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

Future discontinuance of LIBOR may adversely affect the value of Floating Rate Trust Certificates which reference LIBOR

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. In a further speech on 12 July 2018, the Financial Conduct Authority emphasised that market participants should not rely on the continued publication of LIBOR after the end of 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. This may cause LIBOR to perform differently than it has in the past and may have other consequences which cannot be predicted.

Investors should be aware that, if LIBOR (or any other benchmark) were discontinued or otherwise unavailable, amounts payable in respect of Floating Rate Trust Certificates which reference LIBOR (or such other benchmark) will be determined for the relevant period by the fall-back provisions applicable to such Trust Certificates set out in the Conditions. Depending on the manner in which the Rate applicable to the Trust Certificates for each Return Accumulation Period (as defined in the Conditions) is to be determined under the Conditions, this may result in the effective application of a fixed rate based on the rate which applied in the previous period when the relevant benchmark was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Trust Certificates which reference a benchmark.

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

Credit ratings are subject to revision or withdrawal, either of which could adversely affect the trading price of the Trust Certificates

One or more independent credit rating agencies may assign credit ratings to the Government or the Trust Certificates issued under the Programme. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above and any other factors that may affect the value of the Trust Certificates. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Other than pursuant to Article 16 of the Prospectus Directive, the Trustee has no obligation to inform Certificateholders of any revision, downgrade or withdrawal of its current or future sovereign credit ratings. A suspension, downgrade or withdrawal at any time of a credit rating assigned to the Government and/or the Trust Certificates may adversely affect the trading price of the Trust Certificates.

S&P is established in the EU and registered under the CRA Regulation. In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes unless such ratings are issued by a firm that is registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit ratings agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified accordance with the CRA Regulation (and such endorsement or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as

there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Investing in securities involving emerging markets such as Sharjah generally involves a higher degree of risk and the Trust Certificates may not be suitable as an investment for all investors

Generally, investment in emerging markets such as Sharjah is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. A prospective investor should not invest in the Trust Certificates unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Trust Certificates will perform under changing conditions, the resulting effects on the value of such Trust Certificates and the impact this investment will have on the prospective investor's overall investment portfolio. Investors are urged to consult their own legal, tax and financial advisers before making an investment. Each potential investor in the Trust Certificates must determine the suitability of that investment in own circumstances.

In particular, prospective investors should:

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

Legal investment considerations may restrict certain investments

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

The liquidity of the Trust Certificates may be limited and trading prices may fluctuate

Trust Certificates issued under the Programme will (unless they are to be consolidated into a single Series with any Trust Certificates previously issued) be new Trust Certificates which may not be widely distributed and for which there is currently no active trading market. While an application has been made to list on the regulated market of Euronext Dublin and Nasdaq Dubai, there is no assurance that such application will be accepted or that the Trust Certificates will develop an active trading market or, if one does develop, that it will be liquid or maintained. In addition, if the Trust Certificates are traded after their initial issuance they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of Sharjah.

Certificates where denominations involve integral multiples: Definitive Trust Certificates

In relation to any issue of Trust Certificates which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such

Trust Certificates may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds a face amount of less than the minimum Specified Denomination would need to purchase an additional amount of Trust Certificates such that it holds an amount equal to at least the minimum Specified Denomination to be able to trade such Trust Certificates.

A holder who holds an amount which is less than the minimum Specified Denomination in his or her account with the relevant clearing system at the relevant time may not receive a definitive Trust Certificate in respect of such holding (should definitive Trust Certificates be printed or issued) and would need to purchase a face amount of Trust Certificates at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination in order to be eligible to receive a definitive Trust Certificate.

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

Reliance on Euroclear and Clearstream, Luxembourg Procedures

The Trust Certificates of each Series will be represented on issue by a Global Trust Certificate that may be deposited with the Common Depositary. Except in the circumstances described in each Global Trust Certificate, investors will not be entitled to receive Trust Certificates in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Trust Certificate held through it. While the Trust Certificates are represented by a Global Trust Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Trust Certificates are represented by Global Trust Certificates, the Trustee will discharge its payment obligations under the Trust Certificates by making payments through the relevant clearing system. A holder of a beneficial interest in a Global Trust Certificate must rely on the procedures of the relevant clearing systems and its participants in relation to payments under the Trust Certificates. Neither the Trustee nor the Government has any responsibility or liability for the records relating to, or payment made in respect of, ownership interests in any Global Trust Certificate.

Holders of ownership interests in a Global Trust Certificate will not have a direct right to vote in respect of the Trust Certificates so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

The Government is not required to effect equal or rateable payment(s) with respect to its other debt obligations, and is not required to pay other debt obligations at the same time or as a condition of paying sums due under the Transaction Documents and vice versa

The payment obligations of the Government (acting in all its capacities under the Transaction Documents) will at all times rank at least *pari passu* with all other Relevant Indebtedness of the Government. However, the Government will have no obligation to effect equal or rateable payment(s) at any time with respect to any other Relevant Indebtedness of the Government and, in particular, will have no obligation to pay other Relevant Indebtedness at the same time or as a condition of paying sums due under the Transaction Documents and *vice versa*. Accordingly, the Government may choose to grant preferential treatment to, and therefore prioritise payment obligations to, other creditors of the Government as payments fall due.

The Trust Certificates are unsecured obligations and there is no limitation on the Government's ability to issue guarantees, pari passu securities or to incur additional indebtedness in the future

The Certificateholders will not have the benefit of security and as a result will not have a claim to those assets that secure the debt held by secured creditors of the Government. The Government has in the past issued guarantees and securities and incurred indebtedness and intends to continue to do so from time to time in the future. In addition, there is no restriction on the amount of guarantees or securities which the Government may issue and which rank *pari passu* with the Trust Certificates. The issue of any such guarantees, securities and the incurrence of any such additional indebtedness may reduce the amount recoverable by the Certificateholders in certain scenarios.

The Trust Certificates may be an ownership interest for the purposes of the Volcker Rule

The Trustee may be a "covered fund" for the purposes of the Volcker Rule. Further, the Trust Certificates may constitute an "ownership interest" for the purposes of the Volcker Rule. As a result, the Volcker Rule may, subject to certain exemptions, prohibit certain banking institutions from, directly or indirectly, acquiring or retaining the Trust Certificates. This prohibition may adversely affect the liquidity and market price of the Trust Certificates. In addition, any entity that is a "banking entity" under the Volcker Rule and is considering an investment in the Trust Certificates should consider the potential impact of the Volcker Rule in respect of such investment and on its portfolio generally.

Risks relating to Enforcement

Investors may experience difficulties in enforcing arbitration awards and foreign judgments in the UAE

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

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

Each of the Master Declaration of Trust, the Agency Agreement, the Servicing Agency Agreement, the Master Murabaha Agreement, the Purchase Undertaking, the Sale and Substitution Undertaking and the Trust Certificates are governed by English law (the "**English Law Documents**") and the Government has agreed (where the arbitration arrangements described below are not applied) to submit to the exclusive jurisdiction of the English courts in respect of any dispute, claim, difference or controversy arising out of or in connection with the English Law Documents, subject to the right of the Delegate, the Certificateholders, the Agents or the Trustee, as the case may be, to elect to bring proceedings in any other court or courts of competent jurisdiction.

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

The UAE is a civil law jurisdiction and judicial precedents in Sharjah have no binding effect on subsequent decisions. In addition, there is no formal system of reporting court decisions in Sharjah. These factors create greater judicial uncertainty than would be expected in other jurisdictions.

The parties to the English Law Documents have agreed to refer any unresolved dispute in relation to such documents to arbitration under the Arbitration Rules of the LCIA in London, England. The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") entered into force in the UAE on 19 November 2006. Any arbitration award rendered in London should therefore be enforceable in Sharjah in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the Sharjah courts find that the subject matter of the dispute is not capable of settlement by arbitration or enforcement would be contrary to the public policy of the UAE. There have been limited instances where the UAE courts, most notably the Fujairah Court of First Instance and the Dubai Court of Cassation, have ratified or ordered the recognition and enforcement of foreign arbitration awards under the New York Convention. It should be noted that only the Dubai Court of Cassation was a final decision.

How the New York Convention provisions would be interpreted and applied by the UAE courts in practice and whether the UAE courts will enforce a foreign arbitration award in accordance with the New York

Convention (or any other multilateral or bilateral enforcement convention), remains largely untested. This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different emirates within the UAE, some with their own court systems independent of the federal system, and whose rulings may have no more than persuasive force cross-border. Although there are examples of foreign arbitral awards being enforced in the UAE under the New York Convention (as described above), there are other cases where the enforcement of foreign arbitral awards have been refused, with, for example, the relevant judge confusing the requirements for the enforcement of domestic awards with the requirements for the enforcement of foreign awards under the UAE Federal Law No. 1 of 1992 as amended, or ignoring the provisions of Article 238 of Federal Law No. 11 of 1992 (as amended by Federal Law No. 30 of 2005) (the "**Law of Civil Procedure**"). Article 238 of the Law of Civil Procedure provides that Articles 235 to 237 (which deal with enforcement of foreign judgments, orders and instruments and which contain onerous requirements which must be satisfied before enforcement will be considered by the UAE courts) apply only in the absence of multilateral or bilateral conventions such as the New York Convention. Therefore, there remains a risk that notwithstanding Article 238 of the Law of Civil Procedure or the terms of an applicable multilateral or bilateral enforcement convention, the UAE courts may in practice still consider and apply the grounds set out in Federal Law No. 6 of 2018 (the "**UAE Arbitration Law**") related to the enforcement of domestic arbitral awards (as provided in Articles 52 to 57 of the UAE Arbitration Law) or Articles 235 to 237 of the Law of Civil Procedure related to the enforcement of foreign judgments to the enforcement of any non-UAE arbitral award. The UAE Arbitration Law is a new law and it is unclear how it will be applied by the UAE courts in practice. Accordingly, there is a risk that a foreign arbitration award will be refused enforcement by the Sharjah courts.

The Government's waiver of immunity may not be effective under the laws of the UAE

UAE law provides that public or private assets owned by the UAE or any of the emirates may not be confiscated. It is likely that the Lease Assets will fall within the ambit of government assets and as such cannot be attached or executed upon.

The Government has waived its rights in relation to sovereign immunity, however, there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process by it under the Transaction Documents to which it is a party are valid and binding under the laws of the UAE and applicable in Sharjah.

Claims for specific enforcement

In the event that the Government fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include obtaining an order for specific enforcement of the Government's obligations or a claim for damages. There is no assurance that a court will provide an order for specific enforcement which is a discretionary matter.

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

No assurance can be given as to any change of law

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

Risks relating to the Trust Assets

Murabaha Contracts risk

Taxation risk

Pursuant to the terms of the Master Murabaha Agreement, in connection with each Series of Trust Certificates issued from time to time under the Programme, the Trustee (as seller) may enter into a Commodity Murabaha Investment with the Government (as buyer) using the percentage specified in the applicable Final Terms. Upon the receipt of and pursuant to a purchase order from the buyer, the seller will purchase certain commodities from certain suppliers at the spot price and, pursuant to a letter of offer and acceptance, the buyer will irrevocably undertake to purchase such commodities from the seller in consideration for a deferred sale price.

Upon purchasing and prior to on-selling any commodities, the buyer will for a limited period assume the legal and beneficial title to such commodities. It is possible that the acquisition of the commodities, or the disposal thereof, may be, or may by virtue of a change in law become, subject to increased taxation. To the extent that taxation costs arise in respect of the buyer's acquisition, ownership or disposition of the commodities, there may be a material adverse effect on the buyer's ability to perform its obligations (including payment obligations) under the Master Murabaha Agreement and, in turn, in respect of the Trust Certificates.

Price fluctuation risk

The price at which a commodity changes hands is determined as a function of its market as a whole, and both under-supply and over-supply of a commodity can have significant implications for the price at which it is traded. If, after the buyer has purchased any commodities, the market for the commodities becomes over-supplied or flooded, the price at which the commodities can be on-sold or traded subsequently may be adversely affected. Similarly, if after the buyer has purchased the commodities, additional governmental or import or export licences become applicable to the market for the commodities, the price at which the commodities can be sold or traded subsequently may also be adversely affected. The effect of such price fluctuations may have a material adverse impact on the buyer's ability to secure satisfactory on-sale prices for the commodities and, in turn, have a material adverse effect on the buyer's ability to perform its obligations (including payment obligations) under the Master Murabaha Agreement and, in turn in respect of the Trust Certificates.

Commodity risk

Upon purchasing commodities from the seller and prior to selling the commodities to an independent third party purchaser, the buyer will for a limited period assume the operational risks associated with taking ownership of the commodities. These risks include, without limitation, that:

(i) the commodities may suffer damage of a nature that reduces their value whilst in storage or during transit;

(ii) the buyer's storage and/or transfer of the commodities may cause environmental damage, such as pollution, leakage or contamination, which may breach environmental laws or regulations making the buyer susceptible to legal or financial recourse;

(iii) the commodities may be liable to theft and or vandalism; and

(iv) the commodities may be damaged by terrorist attacks, natural disasters, fire or other catastrophic events that are beyond the control of the buyer.

To the extent that these risks are not mitigated, or fully covered, by any insurance taken out in respect of the commodities, the occurrence of any of these events may have a material adverse effect on the value of the commodities and/or the buyer's ability to on-sell the commodities which may, in turn, affect the buyer's ability to perform its obligations (including payment obligations) under the Master Murabaha Agreement and, in turn in respect of the Trust Certificates.

Ownership of the Relevant Lease Asset(s)

Upon the issue of a Series of Trust Certificates, an ownership interest in the Asset(s) or Additional Asset(s), as applicable will pass to Sharjah Sukuk Programme Limited under the relevant Purchase Agreement and Sharjah Sukuk Programme Limited will lease the Relevant Lease Asset(s) to the Government under the relevant Lease Agreements. Sharjah Sukuk Programme Limited will declare a trust in respect of the Relevant Lease Asset(s) and the other Trust Assets in favour of the Certificateholders of the relevant Series pursuant to the relevant Declarations of Trust. However, no investigation or enquiry will be made and no due diligence will be conducted in respect of any Relevant Lease Asset(s) of any Series. The Relevant Lease Asset(s) will be selected by the Government, and the Certificateholders, the Trustee, the Agents and the Delegate will have no ability to influence such selection. Only limited representations will be obtained from the Government in respect of the Relevant Lease Asset(s) of any Series.

Transfer of the Asset(s)

No investigation has been or will be made as to whether the/any Relevant Lease Asset may be transferred as a matter of the law of the jurisdiction where such assets are located or any other relevant law. No investigation will be made to determine if the relevant Purchase Agreement will have the effect of transferring the Asset(s) or Additional Asset(s), as applicable, of the relevant Series.

Nevertheless, as indicated earlier, although, the *Shari'a* analysis is such that an ownership interest in the Asset(s) or Additional Asset(s), as applicable, will pass to the Trustee under the relevant Purchase Agreement, the Certificateholders will not have any rights of enforcement as against the Relevant Lease Asset(s) and their rights are limited to enforcement against the Government of its obligation to purchase the Relevant Lease Asset(s) pursuant to the terms of the Purchase Undertaking in accordance with the terms of the Transaction Documents and the Conditions.

However, the Government has covenanted (or will covenant) in:

(i) the relevant Supplemental Purchase Agreement that, to the extent that the sale and purchase, transfer or conveyance of its (in its capacity as seller) rights, title and interests in, to and under the/any Asset(s) or Additional Asset(s) (as the case may be) is not (or is alleged not to be) effective in any jurisdiction for any reason and the Exercise Price (or the Certificateholder Put Right Exercise Price, as the case may be) payable pursuant to the Sale and Substitution Undertaking or Purchase Undertaking, as the case may be, is not paid in full when due, to: (A) make payment of an amount equal to the Purchase Price (or relevant part thereof, as defined in the relevant Supplemental Purchase Agreement) by way of restitution to the Trustee (in its capacity as purchaser) immediately upon request; and/or (B) indemnify fully the Trustee for the purpose of redemption of the outstanding Trust Certificates of the relevant Series (or Certificateholder Put Right Trust Certificates, as the case may be, as defined in the Purchase Undertaking) and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price (or the Certificateholder Put Right Exercise Price, as the case may be), in each case, without duplication or double counting;

(ii) the Purchase Undertaking that it will fully accept all or any ownership interest the Trustee has in the Relevant Lease Asset(s) (including any Certificateholder Put Right Lease Asset(s), as the case may be, and as defined in the Purchase Undertaking) and shall not dispute or challenge all or any ownership interest the Trustee may have in the Relevant Lease Asset(s) or the Certificateholder Put Right Lease Asset(s), as the case may be, in any way and, if the Government does not accept such ownership interest or if that ownership interest is disputed or challenged, will (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the relevant Series of Trust Certificates (or the Certificateholder Put Right Trust Certificates, as the case may be, and as defined in the Purchase Undertaking) and, accordingly, the amount payable under such indemnity will equal the relevant Exercise Price (or Certificateholder Put Right Exercise Price, as the case may be); and

(iii) the Master Declaration of Trust that it will immediately upon demand (but without any double counting): (a) make payment to the Trustee or the Delegate (as applicable) of an amount equal to the Purchase Price (as defined in the relevant Supplemental Purchase Agreement) in respect of any Initial Defective Sale by way of restitution and (b) indemnify fully the Trustee or the Delegate (as applicable) (each acting for and on behalf of the Certificateholders) for the relevant Exercise Price (or Certificateholder Put Right Exercise Price, as the case may be) expressed to be due and payable

under, the Purchase Undertaking or the Sale and Substitution Undertaking, as applicable, at the relevant time if, as a result of either an Initial Defective Sale or a Subsequent Defective Sale, the Trustee or the Delegate (as applicable) is unable to realise in full, or does not actually receive in full, the relevant Exercise Price (or Certificateholder Put Right Exercise Price, as the case may be) which is expressed to be due and payable under either the Purchase Undertaking or the Sale and Substitution Undertaking, as applicable, at the relevant time.

For this purpose, an "**Initial Defective Sale**" will occur if the sale, purchase, transfer and conveyance of any rights, title, and interest in, to and under the/any relevant Asset(s) or Additional Asset(s), as applicable (each as defined in the relevant Supplemental Purchase Agreement) from the Government (in its capacity as seller) to the Trustee (in its capacity as purchaser) under the relevant Purchase Agreement is not valid or effective, or becomes invalid or ineffective, in whole or in part, in any jurisdiction for any reason, and a "**Subsequent Defective Sale**" will occur if the sale, purchase, transfer and conveyance of any of the Trustee's rights, title and interest, in, to and under, *inter alia*, the Relevant Lease Asset(s) (or proportion thereof, as the case may be) pursuant to the exercise of the Purchase Undertaking or the Sale and Substitution Undertaking, as applicable, is not valid or effective, or becomes invalid or ineffective, in whole or in part, in any jurisdiction for any reason, including without limitation, by reason of any Initial Defective Sale.

Total Loss Event

From a *Shari'a* perspective, the Trustee (in its capacity as lessor) is required, among other things, to insure the Relevant Lease Asset(s). The Trustee has appointed the Government as its servicing agent, which has undertaken in the Servicing Agency Agreement, *inter alia*, to insure the Relevant Lease Asset(s) in the name of the Trustee (as lessor) against the occurrence of a Total Loss Event for their Full Reinstatement Value (and to ensure, in relation to each relevant Series, that such amount is not at any time less than, *inter alia*, the aggregate face amount of Trust Certificates of such Series then outstanding plus accrued but unpaid Periodic Distribution Amounts). A "**Total Loss Event**" is defined as the total loss or destruction of, or damage to the whole of, the Relevant Lease Asset(s) or any event or occurrence that renders the whole of the Relevant Lease Asset(s) permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted by any third party in respect of the Relevant Lease Asset(s)) the repair or remedial work in respect thereof is wholly uneconomical.

Nevertheless, should such an event occur the relevant Lease will automatically terminate and unless the Government procures new assets by the 30th day after the occurrence of the Total Loss Event, which will be the subject of a replacement Supplemental Lease Agreement, the Trust Certificates of the relevant Series will be repaid using the proceeds of the Insurances received by the Trustee. In this scenario, potential investors should be aware that: (i) Rental under the Lease will cease upon the occurrence of a Total Loss Event as that Lease will have terminated and accordingly the Periodic Distribution Amounts payable to the Certificateholders of the relevant Series will not accrue after the date of such Total Loss Event and (ii) there may be a delay in the Trustee receiving the proceeds of Insurance (if any) and therefore in the relevant Certificateholders receiving the relevant Dissolution Amount in respect of their Trust Certificates. In this regard, the Servicing Agency Agreement provides that if the proceeds of the Insurances for an amount equal to the Full Reinstatement Value are not paid directly into the Transaction Account within 30 days of the occurrence of the Total Loss Event (or such amount paid is less than the Full Reinstatement Value), the Government, as Servicing Agent, shall have failed in its responsibility to properly insure the Relevant Lease Asset(s) and accordingly (unless it proves beyond any doubt that any shortfall in the proceeds of Insurances is not attributable to its negligence or its failure to comply with the terms of the Servicing Agency Agreement relating to the Insurances) the Government shall be responsible for paying any shortfall (such amount being the Total Loss Shortfall Amount) directly into the Transaction Account. The Delegate will be entitled to enforce this undertaking against the Government on behalf of the Trustee and the Certificateholders of the relevant Series.

The Trust Certificates may be subject to early dissolution by the Government

An early dissolution feature of any Trust Certificate is likely to limit its market value. During any period when the Government may elect to dissolve Trust Certificates, the market value of those Trust Certificates generally will not rise substantially above the dissolution amount payable. This also may be true prior to any dissolution period.

The Government may be expected to exercise an early redemption option when the Government's cost of financing is lower than the profit rate on the Trust Certificates. At those times, an investor generally would

not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Trust Certificates being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, if the amount payable on the Trust Certificates is required to be increased to include additional amounts in certain circumstances and/or the Government is required to pay additional amounts pursuant to certain Transaction Documents, in each case as a result of certain changes affecting taxation in the Cayman Islands or the UAE (excluding the Emirate of Sharjah) or in each case any political subdivision or any authority thereof or therein having power to tax, the Trustee may redeem all but not some only of the Trust Certificates upon giving notice in accordance with the Conditions.

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

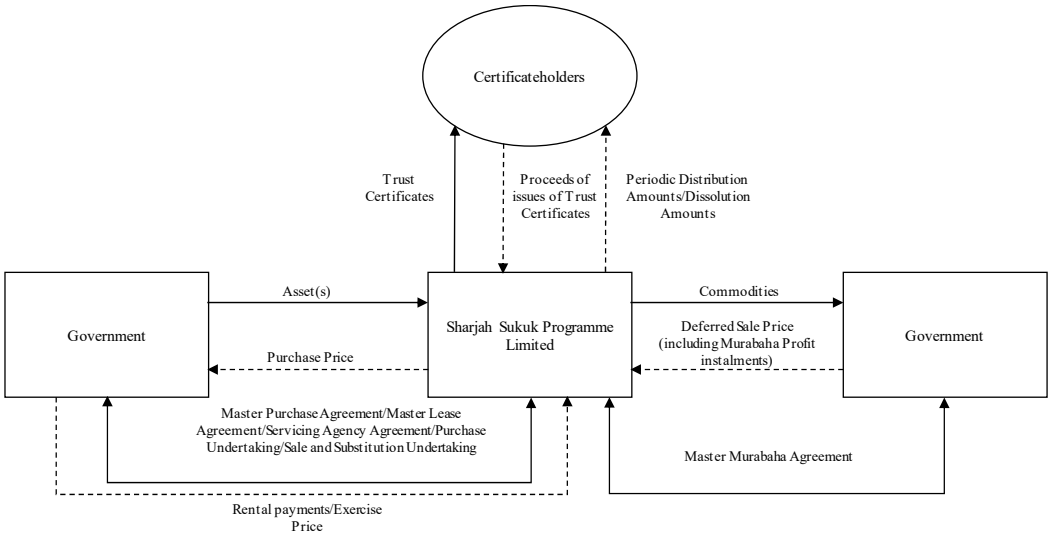
The Fatwa and Shariah Supervisory Board of Dubai Islamic Bank P.J.S.C., the Central Shari'ah Committee of HSBC Bank Middle East Limited, the Fatwa and Sharia'a Supervisory Board of Sharjah Islamic Bank and the Shariah Supervisory Committee of Standard Chartered Bank have confirmed that the Transaction Documents are, in their view, *Shari'a* compliant. However, there can be no assurance that the Transaction Documents or any issue and trading of any Trust Certificates will be deemed to be *Shari'a* compliant by any other *Shari'a* board or *Shari'a* scholars. None of the Trustee, the Government, the Delegate, the Arrangers, the Dealers or the Agents makes any representation as to the *Shari'a* compliance of any Tranche and potential investors are reminded that, as with any *Shari'a* views, differences in opinion are possible. Potential investors should obtain their own independent *Shari'a* advice as to the compliance of the Transaction Documents and the issue and trading of any Tranche with their individual standards of compliance with *Shari'a* principles. Questions as to the *Shari'a* permissibility of the structure or the issue and the trading of the Trust Certificates may limit the liquidity and adversely affect the market value of the Trust Certificates.

Shari'a requirements in relation to interest awarded by a court.

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

STRUCTURE DIAGRAM AND CASHFLOWS

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



Cashflows

Payments by the Certificateholders and the Trustee

On the Issue Date of each Tranche of Trust Certificates, the relevant Certificateholders will pay the issue price (the "**Issue Proceeds**") in respect thereof to the Trustee, and the Trustee will pay:

(a) the Ijara Percentage thereof specified in the applicable Final Terms (which, in the case of the first Tranche of a Series of Certificates, shall be at least 55 per cent.) as the purchase price (the "**Purchase Price**") payable under the relevant Supplemental Purchase Agreement for the relevant Asset(s) or (in the case of each subsequent Tranche of such Series) as the purchase price (the Additional Asset(s) Purchase Price) for the relevant Additional Asset(s) (as defined herein); and

(b) **provided that** the full amount of the Issue Proceeds have not been used to purchase the relevant Asset(s) or (in the case of each subsequent Tranche of such Series) the Additional Asset(s), the remaining proceeds in the purchase of commodities to be sold to the Government on a deferred payment basis for an amount specified in a letter of offer and acceptance (the "**Deferred Sale Price**") pursuant to the Master Murabaha Agreement.

Periodic Payments by the Trustee

On each Periodic Distribution Date, the Servicing Agent (on behalf of the Trustee) will apply amounts standing to the credit of a collection account (comprised of a rental payment (pursuant to the relevant Lease Agreement) and an instalment payment of any Profit Amount (as defined in the Master Murabaha Agreement) each as paid by the Government (acting in its relevant capacities under the Lease Agreement and the Master Murabaha Agreement, as applicable, into the Collection Account)) in payment into the relevant Transaction Account of an amount which is intended to be sufficient to fund the Periodic Distribution Amount payable by the Trustee under the Trust Certificates and shall be applied by the Trustee for that purpose.

Dissolution Payments

On the Scheduled Dissolution Date:

(a) the aggregate amounts of the Deferred Sale Price then outstanding, if any, shall become immediately due and payable by the Government; and

(b) the Trustee and the Delegate will have the right under the Purchase Undertaking to require the Government (in its capacity as obligor) to purchase all of its rights, title and interests in, to and under the Relevant Lease Asset(s) for an amount equal to the Exercise Price.

The Exercise Price payable by the Government (in its capacity as Purchaser) to the Trustee (in its capacity as seller), together with the aggregate amounts of the Deferred Sale Price then outstanding, if any, are intended to fund the relevant Final Dissolution Amount payable by the Trustee under the Trust Certificates.

The Trust may be dissolved prior to the Scheduled Dissolution Date for a number of reasons including: (i) upon the occurrence of a Total Loss Event (as defined herein); (ii) upon the occurrence of a Tax Event; (iii) upon the occurrence of a Dissolution Event (as defined herein); or (iv) in certain cases where so specified in the applicable Final Terms, at the option of the Government or any Certificateholder, as the case may be. In the case of (ii), (iii) and (iv) above, the relevant Dissolution Amount will be funded by requiring the Government to (A) purchase the Relevant Lease Asset(s) and pay the relevant Exercise Price (or Certificateholder Put Right Exercise Price, as the case may be) and (B) pay the aggregate amounts of the Deferred Sale Price then outstanding, if any, in each case to or to the order of the Trustee (pursuant to the terms of the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be, and the Master Murabaha Agreement, if applicable). In the case of (i) above, the Dissolution Amount will be funded using (a) any proceeds of Insurances (as defined in the Servicing Agency Agreement) payable in respect of the Total Loss Event (as defined herein) (save where the Government replaces the Relevant Lease Asset(s) using the proceeds of the Insurances received by the Trustee as provided in the Servicing Agency Agreement), which are required to be paid into the Transaction Account (as defined herein) by no later than the 30th day after the occurrence of the Total Loss Event and (b) the aggregate amounts of the Deferred Sale Price then outstanding.

Should there be any shortfall in the proceeds of the Insurances paid into the Transaction Account for funding the amounts payable by the Trustee on the due date for dissolution in the case of (i) above, unless the Servicing Agent proves beyond any doubt that such shortfall is not in any way attributable to its negligence nor its failing to comply with the terms of the Servicing Agency Agreement relating to the Insurances, the Servicing Agent will irrevocably and unconditionally undertake to pay an amount equal to such shortfall into the Transaction Account by no later than close of business in London on the 30th day after the occurrence of the Total Loss Event.

DOCUMENTS INCORPORATED BY REFERENCE

The "*Terms and Conditions of the Trust Certificates*" appearing between pages 107 to 155 of the Base Prospectus dated 5 March 2018 will also be incorporated by reference herein and will be available for viewing at https://www.ise.ie/debt_documents/FinalBaseProspectus_d4c02717-5e7a-4d48-9cc6-e3afc43096da.PDF.

Copies of the above document incorporated by reference in this Base Prospectus can be obtained from the specified office of the Principal Paying Agent at Deutsche Bank AG, London Branch, Winchester House, One Great Winchester Street, London EC2N 2DB, United Kingdom.

Any information contained in the document specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is included elsewhere in this Base Prospectus.

Such document shall be incorporated in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

USE OF PROCEEDS

The net proceeds of each Tranche of Trust Certificates issued under the Programme will be paid by the Trustee (in its capacity as purchaser) on the relevant Issue Date to or to the order of the Government (in its capacity as seller) as (A) the purchase price for the Asset(s) or Additional Asset(s), as applicable, pursuant to the relevant Purchase Agreement (as defined in the Conditions) and (B) Commodities (if any) to be sold to the Government pursuant to the relevant Murabaha Agreement (and as defined therein).

DESCRIPTION OF THE TRUSTEE

General

Sharjah Sukuk Programme Limited, an exempted company incorporated with limited liability under the Companies Law (2016 Revision) of the Cayman Islands with registered number 323675 whose registered office is at c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, and whose telephone number is +1 345 949 8066.

The issued share capital of the Trustee is comprised of one (1) ordinary share with a par value of U.S.$1.00. The Trustee is a wholly-owned subsidiary of Government.

Business of the Trustee

The Trustee has limited operating history or prior business and does not and will not have any substantial liabilities other than in connection with Trust Certificates that have been, and will be, issued under the Programme. The objects for which the Trustee is established are set out in clause 3 of its Memorandum of Association, as registered or adopted on 7 June 2017.

Financial Statements

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by Cayman Islands law to publish audited financial statements.

Directors of the Trustee

The Directors of the Trustee are as follows:

Name:	**Principal Occupation:**
Mohammed bin Saud Al Qasimi	Chairman, Sharjah Finance Department
Waleed Ebrahim Al Sayegh	Director General, Sharjah Finance Department

The business address of each Director of the Trustee is c/o Sharjah Finance Department, Al Layyeh Suburb, P.O. Box 201, Sharjah, United Arab Emirates.

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

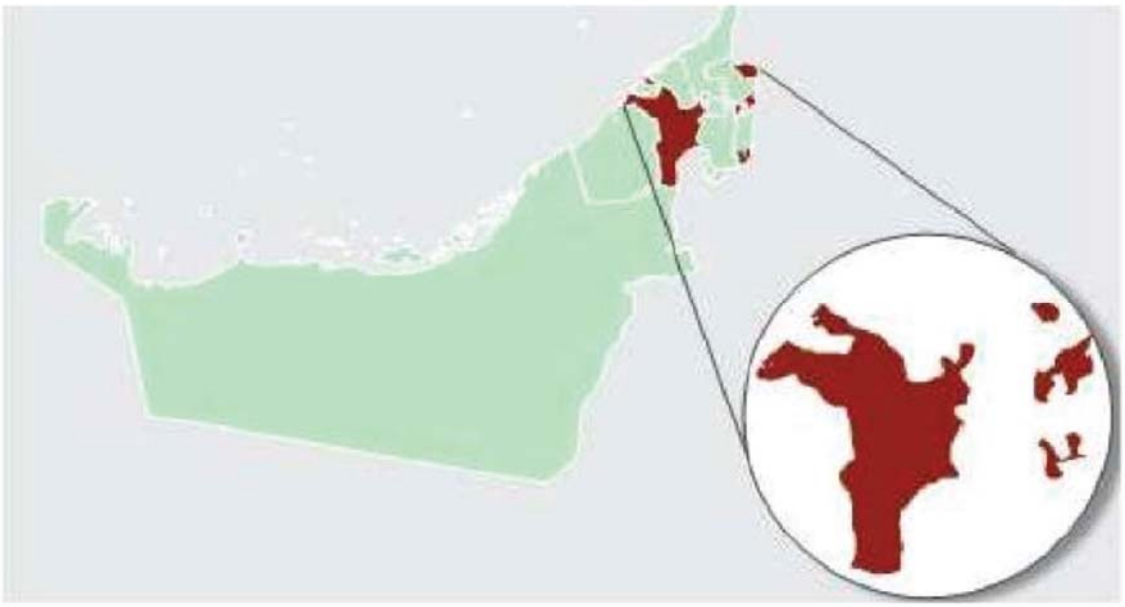
The Trustee has no employees and is not expected to have any employees in the future.

DESCRIPTION OF THE EMIRATE OF SHARJAH

Introduction

The Emirate of Sharjah ("**Sharjah**" or the "**Emirate**") is one of seven emirates which together comprise the Federation of the United Arab Emirates (the "**Federation**"). The Federation was established on 2 December 1971. On formation, the Federation comprised the following emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain and Fujairah. Ras Al Khaimah joined in February 1972. Abu Dhabi is the capital city of the UAE. The President of the UAE is H.H. Sheikh Khalifa bin Zayed Al Nahyan, who is also the ruler of Abu Dhabi. H.H. Sheikh Dr. Sultan Bin Mohammed Al Qasimi ("**H.H. The Ruler**") became the ruler of Sharjah in 1972 and was appointed to the Supreme Council (as defined below).[1]

Location



Sharjah is the third largest emirate in the UAE. Sharjah borders the Arabian Gulf to the west and shares land borders with all of the other six emirates. The Emirate comprises a main territory, incorporating Sharjah City and the less densely populated Central Region, and three exclaves on the UAE's east coast (Khorfakkan, Dibba Al-Hisn and Kalba), which each provide access to the Arabian Sea and the Indian Ocean through the Gulf of Oman. The island of Sir Bu Nair also forms part of Sharjah. In total, Sharjah covers an area of 2,590 square kilometres, or 3.3 per cent. of the UAE's total area (excluding islands).

The main city of Sharjah, Sharjah City, is situated between the emirates of Dubai and Ajman on the five kilometre deep salt strip running along the west coast. Sharjah City is located around 170 kilometres from the UAE's capital of Abu Dhabi. The length of the coastline falling under the Emirate is approximately 30 kilometres in total, including a 16 kilometre continuous stretch on the Arabian Gulf around Sharjah City.

The UAE as a whole extends along the south-east coast of the Arabian Gulf, from the Kingdom of Saudi Arabia to Ras Al Khaimah in the north and across parts of the Mussandum peninsula to the Gulf of Oman in the east. The UAE covers an area of 83,699 square kilometres in total.

History

There is evidence of human settlement dating back to around 120,000 years ago, located in what is now present-day Sharjah (which means "**rising sun**" in Arabic). Graveyards and adjacent settlements have been found which point to Neolithic communities who lived there from 11,000 years ago. As early as the second

[1] While the terms "Federal" and "Federation" are used in this description, the term "Union" may be more accurate based upon the definition (ittihad) which the founding fathers of the UAE gave in the 1971 Provisional Constitution of the UAE (as amended). However, in line with common parlance, the terms "Federal" and "Federation" are used throughout this description.

century AD, a map drawn by the Greek geographer Ptolemy indicated the settlement of Sarcoa (where present-day Sharjah is located).

The arrival of envoys from the Prophet Muhammad (peace be upon him) in 630 AD also added to the rich cultural heritage of the region.

Sharjah's modern history began around 1727, when the Al Qasimi clan took over the area of present-day Sharjah and declared the polity independent. While European powers competed for regional supremacy during the eighteenth century (in order to control the lucrative trade routes in and around the Persian Gulf), a local power, the Qawasim, was gathering strength. At the beginning of the nineteenth century, the Qawasim had built up a fleet of over 60 large vessels and could put nearly 20,000 sailors to sea, eventually provoking a British offensive to control the maritime trade routes between the Arabian Gulf and India.

Following the defeat of the Qawasim by the British, Sharjah and the other emirates of the current UAE each entered into a separate treaty with the British. Such a treaty was also motivated by a sense of resistance to the growing Ottoman imperial influence, which was beginning to make its presence felt in the area. Thus, on 8 January 1820, Sheikh Sultan bin Saqr Al Qasimi signed the General Maritime Treaty with Great Britain. The emirates eventually became collectively known as the Trucial States or Sheikhdoms and the area was generally known as the Trucial Coast. The Sheikhdoms were each led by a Sheikh, who typically belonged to the most influential tribe in that area (being the Al Qasimi dynasty in the case of Sharjah). In Sharjah, alongside fishing and trading, pearling was a primary income-generating industry that lasted into the late 1940s. The first international airport on the Trucial Coast was established in Sharjah in 1932.

The British remained in the area until their withdrawal from the region in 1971. Steps were then taken by the rulers of the seven emirates to bring the individual Sheikhdoms together into a single Federation. This resulted in the formation of the Federation by six of the seven emirates of the UAE (including Sharjah) in December 1971, with Ras Al Khaimah joining in February 1972.

In May 1976, the seven emirates agreed to merge their armed forces. In 1979, the ruler of Dubai, H.H. Sheikh Rashid bin Saeed Al Maktoum, became Prime Minister of the Federal Government. H.H. Sheikh Zayed bin Sultan Al Nahyan of Abu Dhabi served as President of the UAE from 1971 until his death in November 2004, when he was succeeded by his son, H.H. Sheikh Khalifa bin Zayed Al Nahyan, as ruler of Abu Dhabi and President of the UAE.

Population

According to the FCSA, the UAE had a population of approximately 9.3 million in 2017.

The population of the UAE has grown significantly since 1975, reflecting an influx of foreign labour, principally from the Indian subcontinent, as the emirates have developed.

Recent population growth in Sharjah has been lower than in some of the other emirates. As a result, the population as a percentage of the UAE's population has decreased from approximately 20 per cent. in 2005 to approximately 15 per cent. in 2015. The table below illustrates this growth using official census data since 1975.

	Sharjah population	Total UAE population (estimated)
1975	78,790	557,887
1980	159,317	1,042,099
1985	228,317	1,379,303
2005	793,573	4,106,247
2015	1,408,699	9,160,000

Source: Government of Sharjah internal sources, official census data for 1975, 1980, 1985, 2005 and 2015.

In January 2017, the Sharjah Department of Statistics and Community Development published the Sharjah Census 2015. The official total population of Sharjah was 1,408,699 in 2015. This comprehensive study supersedes the previous post-2005 data series, which was estimated according to the component methodology, using data on the number of births, deaths and migrants. According to the latest data published by the FCSA, UAE nationals officially make up less than 12 per cent. of the overall population of the UAE and 18.5 per cent. of the Emirate's population. In keeping with the rest of the UAE, expatriates resident in Sharjah are mainly from the Indian subcontinent and other Arab countries.

Education and training are an important strategic focus for the Emirate (see further "*The Economy of Sharjah — Infrastructure — Education*" below). Based on the Sharjah Census 2015, for the population aged 10 or more, approximately 26.8 per cent. of the active population had university or equivalent level degrees and a further 39.5 per cent. had completed secondary education. The Government believes that one of its key future challenges will be the creation of jobs for the local population and has undertaken initiatives with the Federal Government to educate and motivate young UAE nationals to join the workforce, with a particular emphasis on the private sector (see "*The Economy of Sharjah — Infrastructure — Education*").

Relationship between the UAE Constitution and Sharjah

The UAE Constitution

The original constitution of the UAE (the "**Constitution**") was provisional and established the legal framework for the Federation. The Constitution was made permanent pursuant to a constitutional amendment in May 1996 (which also confirmed Abu Dhabi as the permanent capital of the UAE).

The major principle articulated by the Constitution in relation to the separation of powers between the Federation and the individual emirates is that, on specific legislative and executive matters (or solely legislative matters), competencies were conferred on the Federation, with each individual emirate remaining sovereign within its own territory on all residuary matters.

Accordingly, pursuant to Articles 120 and 121 of the Constitution, the Federal Government has exclusive legislative and executive competence in relation to: foreign affairs; national security and defence; nationality and immigration; finance, taxation and public borrowing of the Federal Government; education; public health; postal, telephone and other communications services; and air traffic control and the licensing of aircraft. The UAE's monetary and exchange rate policy is also managed on a Federal basis by the UAE Central Bank. See further "*Monetary and Financial System*" below.

Similarly, pursuant to Article 121 of the Constitution, the Federation has exclusive legislative (but not executive) competence in relation to, for example, labour relations, banks, insurance, major codal legislation, intellectual property protection, the delimitation of territorial waters, the extradition of criminals and the establishment and regulation of free trade zones. In relation to these competencies, the implementation of the Federal legislation is left to the executive authorities of each emirate.

Article 122 of the Constitution confirms that "the Emirates shall have competence in relation to all matters where the Federation does not hold exclusive competence in accordance with the provisions of the preceding two Articles".

Accordingly, the governments of the individual emirates retain flexibility in the governance and management of their own emirates. Examples of the sectors for which the Government has retained responsibility include its customs controls, local planning authorities and tourism. The natural resources and wealth in each emirate are considered to be the public property of that emirate.

Federal Supreme Council

The UAE is governed by the Supreme Council of the rulers of each of the emirates (the "**Supreme Council**"). This is the highest Federal governing body and consists of the rulers of the seven emirates. The Supreme Council elects, from its own membership, the President and the Vice President of the UAE (each for renewable five-year terms). The Supreme Council is vested with legislative as well as executive powers. It ratifies Federal laws and decrees, plans general policy and approves the appointment, resignation or dismissal of the Prime Minister.

In 1971, the then-ruler of Abu Dhabi, H.H. Sheikh Zayed bin Sultan Al Nahyan, was elected as the first President of the UAE and was re-elected President for successive five-year terms until his death in November 2004. In 1971, the then ruler of Dubai, H.H. Sheikh Rashid bin Saeed Al Maktoum, was elected as the first Vice-President of the UAE and continued as Vice-President until his death in 1990. Both were succeeded by their respective Crown Princes, H.H. Sheikh Khalifa bin Zayed al Nahyan, who became ruler of the emirate of Abu Dhabi in 2004, and H.H. Sheikh Mohammed bin Rashid Al Maktoum, who became the ruler of the emirate of Dubai in 2006 (after having succeeded his brother, Sheikh Mohammed bin Rashid Al Maktoum, who served as Ruler of Dubai following the death of H.H. Sheikh Rashid bin Saeed Al Maktoum); and were elected by the members of the Supreme Council to become, respectively, President (for the ruler of Abu Dhabi) and Vice-President (for the ruler of Dubai) of the UAE.

H.H. The Ruler has represented Sharjah in the Supreme Council since becoming the ruler of Sharjah in 1972.

Federal Council of Ministers

The Federal Council of Ministers (the "**Cabinet**") is described in the Constitution as "the executive authority" for the Federation and is responsible for implementing policy decisions of the Supreme Council. The Cabinet is the principal executive body of the Federation. Based in Abu Dhabi, the Cabinet is headed by the Prime Minister (H.H. Sheikh Mohammed bin Rashid Al Maktoum) and consists of his two Deputy Prime Ministers (H.H. Sheikh Saif bin Zayed Al Nahyan and H.H. Sheikh Mansour bin Zayed Al Nahyan) and other ministers. These ministers are normally selected (for no fixed term) by the President of the Supreme Council on the recommendation of the Prime Minister. The Constitution defines the competencies of the Cabinet, which include the issuing of regulations, the preparation of draft laws and the drawing up of the annual Federal budget.

Federal National Council

The Federal National Council is a parliamentary body which comprises 40 members, all of whom are UAE nationals. Each emirate appoints members for a particular number of seats based on the emirate's population and geographical size. Abu Dhabi and Dubai have eight members each, Sharjah and Ras Al Khaimah have six members each and the other emirates have four members each. The nomination of representative members is left to the discretion of each emirate, and the members' legislative term is four calendar years. The members represent the UAE as a whole rather than their individual emirates.

Presided over by a speaker, or two deputy speakers, elected from amongst its members, the Federal National Council has both a legislative and a supervisory role under the Constitution. This means that it is responsible for examining and, as appropriate, amending or rejecting all proposed Federal legislation, and is empowered to summon and to question any Federal minister regarding ministry performance. One of the main duties of the Federal National Council is to discuss the annual budget of the UAE. Although the Federal National Council can monitor and debate government policy, it has no veto or amendment power and cannot initiate any legislation by itself, and its amendments to, or rejection of, draft legislation placed before it can ultimately be overridden by the Supreme Council.

In 2006, reforms were made with a view to enhancing public participation in indirect elections to the Federal National Council. Under these reforms, the ruler of each emirate will select an electoral college whose members should be at least 100 times the number of Federal National Council members for that emirate. The members of each college elect half of the Federal National Council members for their emirate, with the remainder being appointed by the relevant ruler.

Legal and Court System

There are three primary sources of law in the UAE, namely:

- Federal laws and decrees applicable in all seven emirates;
- local laws i.e. laws and regulations enacted by the emirates individually; and
- *Shari'a* (Islamic) law.

The secondary form of law is trade custom or practice. In the absence of Federal legislation on areas specifically reserved to Federal authority, the ruler or local government of each emirate will apply his or its own rules, regulations and practices.

The Federal judiciary, whose independence is guaranteed under the Constitution, includes the Federal Supreme Court and Courts of First Instance of each emirate. The Federal Supreme Court consists of five judges appointed by the Supreme Council. The judges decide on the constitutionality of Federal laws and arbitrate on inter-emirate disputes and disputes between the Federal Government and the emirates.

In accordance with the Constitution, three of the seven emirates (Dubai, Abu Dhabi and Sharjah) have elected to maintain their own court system, separate from that of the UAE, and these courts have sole jurisdiction to hear cases brought in the respective emirates.

Sharjah's judicial system mirrors the structure of the Federal judicial system and is comprised of a Court of First Instance, a Court of Appeal and a Court of Cassation.

International Relations

Pursuant to Article 120 of the Constitution, foreign policy and international relations are a Federal matter and, accordingly, Sharjah has no ability to enter into direct agreements with foreign governments other than, under certain conditions, "limited agreements of a local and administrative nature" with neighbouring states.

The foreign policy of the UAE is based upon a set of guiding principles laid down by the UAE's first President, H.H. Sheikh Zayed bin Sultan Al Nahyan. He derived these principles from his belief in the need for justice in international dealings between states, including the necessity of adhering to the principle of non-interference in the internal affairs of others and the pursuit, wherever possible, of peaceful resolution of disputes, together with support for international institutions, such as the United Nations (the "**UN**").

Within the Arabian Gulf region, and in the broader Arab world, the UAE has sought to enhance co-operation and to resolve disagreement through the pursuit of dialogue. Accordingly, one of the central features of the country's foreign policy has been the development of closer ties with its neighbours in the Arabian Peninsula. The Co-operation Council for the Arab States of the Gulf (colloquially known as the Gulf Co-operation Council) (the "**GCC**") region, which comprises the UAE, the State of Kuwait, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the State of Qatar and the Sultanate of Oman, was founded at a summit conference held in Abu Dhabi, in May 1981.

At the broader level of the Arab world as a whole, the UAE is committed to building a sense of common purpose among both its people and its governments and, to this end, has supported the strengthening of common institutions, such as the Arab League. Beyond the Arab world, the UAE has pursued a policy of seeking, wherever possible, to build friendly relations with other nations, both in the developing and in the industrialised world. The UAE also maintains cordial relations with other regional states and has established good relations with the United States and the European Union as well as with various developing nations in Africa and many of the countries of the former Soviet Union.

Since the establishment of the UAE, the country has played an active role in the provision of financial aid to developing countries and has been a contributor of emergency relief to countries and areas affected by conflict and natural disasters. Countries that have benefited in recent years from the UAE's financial aid include Pakistan, Palestine, Syria, Sudan, the Republic of Yemen and Egypt. The philosophy behind the aid policy is two-fold: first, the provision of help for the needy is a duty incumbent on all Muslims and, second, the country's policy on utilisation of the revenues from its oil and gas production has always included a component that they should be devoted, in part, to helping other countries that have fewer natural resources.

The UAE is also an active participant in a number of multilateral aid-giving institutions, including the International Bank for Reconstruction and Development (the "**IBRD**"), the IMF, the International Development Agency and regional bodies such as OPEC, the Fund for International Development, the Arab Gulf Fund for the UN, the Arab Bank for Economic Development in Africa, the Abu Dhabi based Arab Monetary Fund and the Islamic Development Bank. In addition, the UAE is a member of various other international organisations including, *inter alia*, the GCC, the UN, the Arab League, the Organisation of Islamic Countries, the Organisation of Arab Petroleum Exporting Countries, the World Health Organisation (the "**WHO**"), the International Organisation for Industrial Development, the World Trade Organisation and the Asia-Pacific Economic Co-operation.

The UAE currently has an impasse with the Islamic Republic of Iran and the Kingdom of Saudi Arabia over certain border issues. Since 1971, the three Gulf islands of Abu Musa and Greater and Lesser Tunb have been occupied by Iranian forces. The UAE believes that the islands should be returned to Sharjah and Ras Al Khaimah, respectively, which claim sovereignty over them, and is seeking to resolve the dispute through bilateral negotiations or a reference to international arbitration.

The UAE is also seeking, through negotiation, to resolve issues related to the 1974 provisional and, as yet, unratified agreement with the Kingdom of Saudi Arabia on the border between the two countries.

The UAE, along with other Arab states, is currently participating in the Saudi Arabian led intervention in Yemen which began in 2015. The intervention was in response to requests for assistance from the

internationally recognised but domestically contested Yemeni government of President Abd Rabbuh Mansur Hadi. The request was due to a Houthi tribal offensive, aimed at Yemen's provisional capital of Aden.

The UAE also joined another Saudi Arabian-led coalition of 34 largely Muslim nations formed in December 2015 to combat Islamic extremism, in particular Islamic State (also known variously as Daesh, ISIS or ISIL).

On 5 June 2017, Saudi Arabia, the UAE and Bahrain announced that they would close their airspace and territorial waters with Qatar within 24 hours of such announcement. Saudi Arabia also closed its land border with Qatar, which is Qatar's only land border with another country. Saudi Arabia, the UAE, Bahrain and Egypt also ended diplomatic ties with Qatar. Yemen, Jordan, Libya, Comoros, Senegal and Mauritania also joined the Saudi-led group shortly thereafter and several other countries including Chad, Djibouti, Maldives and Niger announced that they had downgraded their diplomatic ties with Qatar.

The UAE has one of the largest economies in the MENA region, with a nominal GDP of AED 1,405,007 million in 2017. According to the FCSA, real GDP growth in the UAE was 5.1 per cent. in 2015, 3.0 per cent. in 2016 and 0.8 per cent. in 2017. According to IMF forecasts, real GDP growth is forecasted to be 2.9 per cent. in 2018 and 3.7 per cent. in 2019.

The Government

The relationship between the Federal Government and the local governments of each emirate in the UAE is laid down in the Constitution, which allows for a degree of flexibility in the distribution of authority. The Constitution states that each emirate shall exercise all powers not assigned to the Federation. Each emirate has its own local government, consisting of departments or authorities, so that each emirate retains sufficient political and financial autonomy.

The executive powers of the government in Sharjah lie primarily with the ruler, supported by the deputy rulers and the Sharjah Executive Council (the "**SEC**"). The ruler of Sharjah is H.H. Sheikh Dr. Sultan bin Mohammed Al Qasimi ("**H.H. The Ruler**"), who was appointed Ruler of Sharjah on 25 January 1972. H.H. Sheikh Sultan Bin Mohammed bin Sultan Al Qasimi assumed the title of Crown Prince in 1999. H.H. the Crown Prince holds the titles of Deputy Ruler of Sharjah and Chairman of the SEC.

The ruler's office provides support and advice to H.H. The Ruler in all his functions as the ceremonial and functional head of the Government. H.H. The Ruler delegates certain day-to-day aspects of the management of Sharjah's government and its dependencies to the SEC. As Chairman of the SEC, the Crown Prince oversees the implementation of all strategies and plans of governmental bodies and departments. In an effort to increase public participation in politics, the Sharjah Consultative Council (the "**SCC**") was established in 1999 by Emiri Decree No. 3. Like the UAE's Federal National Council, the SCC works closely with the SEC in reviewing legislation and the accountability of Government agencies on issues of policy. In January 2016, for the first time, elections were held for registered Sharjah citizens to elect half of the 42 members of the SCC.

The various departments and other arms of the Government and their respective executives operate under the powers and responsibilities specifically delegated to them from time to time by H.H. The Ruler. The laws adopted in Sharjah are passed by virtue of a decree of H.H. The Ruler.

The public sector of the Government consists of centralised departments and independent authorities.

There are around 65 centralised Government departments, including:

- Directorate of Public Works;
- Department of Culture and Information;
- Finance Department;
- Real Estate Registration Department;
- Economic Development Department;
- Sharjah Petroleum Council;

- Sharjah Police;
- Department of Customs;
- Town Planning Department;
- Department of Civil Aviation; and
- Sharjah City Municipality

Independent authorities in Sharjah, which are wholly or majority publicly owned but operate at arm's length from the Government, include: (i) Bee'ah (Sharjah Environment Company); (ii) Sharjah Commerce and Tourism Development Authority; (iii) Hamriyah Free Zone Authority; (iv) Sharjah Electricity and Water Authority ("**SEWA**"); (v) Sharjah Airport International Free Zone ("**SAIF Zone**"); (vi) the Sharjah Investment and Development Authority ("**Shurooq**") and (vii) the Department of Seaports.

Established in 1992 by H.H. The Ruler, the Financial Control Department (the "**FCD**") is independent from the main public sector structures, and is responsible for regulating and monitoring the financial activities of governmental bodies and departments in a capacity similar to that of an internal auditor, along with companies with direct or indirect government ownership of 20 per cent. or more. The FCD produces quarterly and annual reports which are presented to H.H. The Ruler.

The Government has adopted a strategy for its economy, which is intended to complement the economic growth in other emirates such as Abu Dhabi and Dubai. There is a notable focus on citizen welfare and enrichment, with particular emphasis on the preservation and celebration of Islamic heritage and culture, and on education. The Government has created one of the most prestigious higher education campuses in "University City", which is still expanding with a new Islamic university, Al Qasimia University, having been officially opened in April 2015. The Emirate's tourism offering centres on its cultural offering, with religious and archaeological sites as well as over 30 museums, which culminated in the recognition of Sharjah as the Capital of Islamic Culture for 2014 by the Islamic Organization for Education, Science and Culture (ISESCO), and as the Capital of Arab Tourism for 2015 by the Arab Council of Tourism Ministers. The Government has sought to ensure the provision of high-quality healthcare, environmental improvement and employment opportunities for Sharjah citizens, with the Human Resources Department (a centralised department of the Government) placing citizens into public sector employment since 2005.

As for economic development, Sharjah differs from some other GCC states in that the Government seeks to limit its direct participation in the market and instead focus on creating a favourable business environment, attracting inward investment, expanding infrastructure to foster future growth and leveraging cultural heritage to economic advantage. As such, Sharjah has a private sector-driven economy, characterised by a large number of smaller companies. The Government created an Economic Department in 1981, subsequently merged in 1999 with the Industrial Development Department to create the Sharjah Economic Development Department (the "**SEDD**") to create a legal and regulatory environment conducive to business success and aimed at attracting foreign and domestic investment. SEDD's role includes working with the private sector to review areas such as improving efficiency in the public sector, expanding the scope of private ownership, increasing the pace of economic growth and easing the shift towards an open market economy. SEDD's strategy focuses on providing modern, streamlined services and regulation to businesses, with a particular focus on e-government, efficient licensing and fair and proportionate regulation and inspection.

To further encourage economic development, the Government also created Shurooq in 2009 with the objective of attracting foreign direct investment in the Emirate (see further "*The Economy of Sharjah — Foreign Direct Investment and Free Zones*" below).

The Government's fiscal stance is guided by the principle of only borrowing for capital investment (while allowing for fluctuations over an economic cycle). Despite the economic challenges of the past decade and its significant investment in expansion projects and infrastructure, the Government's approach has led to public debt as a proportion of GDP remaining relatively low in comparison to the Emirate's peers. The Government also established the Debt Management Office (the "**DMO**") in 2012 to coordinate borrowing activity in the public sector (for further detail, see "*Indebtedness*").

The Government's Economic Strategy

Promoting Long-Term Sustainability

The Government's economic strategy is focused on sustainable development, i.e. growing the economy in a manner that is socially beneficial, that can be maintained on a long-term basis and that protects the natural environment of the Emirate. The Government considers this crucial to the long-term prosperity of the Emirate.

The Government's strategy has also been designed to ensure the Emirate's continued resilience to short- and medium-term economic shocks. The UAE economy is in a period of relative uncertainty and heightened financial and macro risk, primarily arising from lower global prices for hydrocarbons. Meanwhile, geopolitical risks have evolved significantly and present new considerations (see "*Risk Factors — Risks relating to Sharjah and the UAE — Current Regional Political Instability*"). In this environment, the Government's focus on sustainable long-term development provides resilience through the Emirate's:

- relatively low reliance on volatile sectors (real estate, hydrocarbons) for economic activity and Government revenues;
- well established concentrations of economic activity in more stable sectors;
- low commercial exposure to volatile sectors through government-related entities ("**GREs**") and investments;
- diverse sources of revenue and ability to reduce expenditure (if necessary); and
- low Government and GRE debt levels.

Focus Areas for Development

The Government envisages that sustainable economic growth will be determined by its success in fostering the development of the following areas of the economy and society of Sharjah:

Real Estate and Urban Planning

The Government has set out an "urban masterplan", focusing on alleviating traffic and reducing urban pollution within the Emirate as well as creating new residential areas to accommodate the expected population growth that will come with sustained economic prosperity. Key components of this masterplan include:

- relocating inner city industrial areas to create new zones on the periphery of the city with better infrastructure access, such as Al Sajaa Industrial Oasis, Emirates Industrial City and Al Hanoo;
- expanding the Hamriyah Free Zone and its transport links to highway E311;
- developing new residential districts through traditional zonal development in areas such as Rahmania, and more heavily masterplanned developments such as Al Zahia and Tilal City; and
- undertaking major, coordinated real estate developments in prime locations in the Dubai corridor.

See further "*The Economy of Sharjah — Principal Sectors of the Economy*" below.

Logistics and Infrastructure

Infrastructure development is considered to be a key enabler for the Emirate's future expansion, economic growth and social connectivity. Sharjah is well connected to the other emirates through a series of parallel major multi-lane highways, has comprehensive telecommunication facilities and offers three significant sea ports. The Emirate is also the location of the UAE's third largest airport, Sharjah International Airport ("**SIA**"), and is adjacent to the world's busiest airport, Dubai International Airport. Several key infrastructure developments are under way, including the expansion of SIA and road links (see "*The Economy of Sharjah — Infrastructure*").

Tourism

One of the key aims of the Government's economic strategy is to solidify the Emirate's position as an ideal family tourism destination and cultural hub in the GCC region. The Government aims to attract 10 million visitors annually to the Emirate by 2021, a substantial increase from attracting 1.8 million visitors annually in 2016. In recognition of the Government's achievements to date, the Emirate was named the "2015 Capital of Arab Tourism" by the Arab Council of Tourism Ministers.

Sharjah hosts several well-known and popular annual events including the Sharjah International Book Fair, Sharjah Light Festival, Sharjah Water Festival and Sharjah Heritage Days. Moreover, Shurooq undertakes joint venture developments with private sector partners to promote the growth of tourism and tourism related commercial activity in the Emirate through the development of world-class tourism facilities and investment in, among other things, tourism-related projects. For a summary of recent projects, see "*The Economy of Sharjah — Principal Sectors of the Economy — Restaurants and Hotels*" below.

The UN Educational, Scientific and Cultural Organization ("**UNESCO**") named Sharjah as World Book Capital in 2019, under its World Book Capital programme, an initiative launched in 1996 that seeks to promote publishing activities on local and global levels by nominating an annual capital. The programme aims to promote peace, cultural enrichment, and intercultural dialogue through education, communication and the sharing of information.

Education

The development of the Emirate's education system has been a key priority for the Government, which has led to significant investments in human capital, founded on the belief that an educated population is vital to the long-term growth of the Emirate's economy.

The Emirate is aiming to establish itself as a regional centre for educational excellence and, in order to achieve this, the Government has invested significantly in this area in recent years. For a summary of such investment, see "*The Economy of Sharjah — Infrastructure — Education*" below.

Energy and Environment

The Government regulates and monitors, among other things, the management, operation and maintenance of the Emirate's electricity and water assets and facilities to ensure that present and future consumer demands for water and power services are properly met through sustainable planning and development, and to ensure that local water and electricity projects are managed and operated in line with international best practices and applicable environmental laws.

Sustainability is at the heart of the vision of the Sharjah Electricity and Water Authority ("**SEWA**"), as demonstrated by the implementation of:

- a drive for energy efficiency, with SEWA encouraging all customers to cut power consumption by 30 per cent.;
- investment in network efficiency to cut power leakage;
- higher fuel standards benefiting local air quality as well as boosting operational performance; and
- the revision of electricity and water tariffs in order to incentivise energy conservation.

SEWA is also empowered to establish clean energy companies and to enter into joint ventures with companies in the field of renewable and alternative energy.

For further detail, see "*The Economy of Sharjah — Infrastructure — Utilities*" below.

Health

Although public healthcare for UAE nationals is a Federal responsibility, the Government sees an important role in encouraging development of the private healthcare sector in the Emirate, as part of a broader strategy to enhance public health among all residents. In 2012, the Government established the Sharjah Healthcare City free zone, designed to capitalise on regional demand for high-quality health services and to attract investment from experienced healthcare providers from the UAE and overseas.

In recognition of the Government's efforts and achievements in developing public health policy in the Emirate, in September 2015, Sharjah City was designated as the Middle East's first Healthy City by the WHO. According to the WHO, a Healthy City is one that "continually creates and improves its physical and social environments and expands the community resources that enable people to mutually support each other in performing all the functions of life, and developing to their maximum potential". The Emirate joined the Healthy City programme in 2012, when it met 50 per cent. of the accreditation criteria. It has now met 88 per cent. of the accreditation criteria (surpassing the 80 per cent. qualification threshold set by the WHO).

Ratings

On 27 November 2018, Moody's reaffirmed an "A3" long term foreign and local currency issuer default rating (stable outlook) on the Emirate. The Moody's rating has remained unchanged since Moody's initially rated the Emirate in January 2014. Moody's has stated that the principal reason for this rating is Sharjah's strong fiscal position and low government debt burden, as well as the Emirate's well-diversified economy, while nothing that Sharjah's ratings are constrained by the Government's narrow revenue base and limited hydrocarbon reserves.

On 30 November 2018, S&P affirmed its long- and short-term foreign and local currency sovereign credit ratings for Sharjah as "BBB+/A-2", with a stable outlook. The ratings and stable outlook reflects S&P's expectation that budget deficits will narrow in the later years of their forecasts, supported by Sharjah's share of receipts from the UAE-wide value-added tax.

Business Address

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THE ECONOMY OF SHARJAH

Introduction

Sharjah has a diverse economy, best known for its strength in real estate, industry and manufacturing. The economy of Sharjah benefits from Sharjah's membership of the UAE and its political and macroeconomic stability, its advantageous geographic location, its transport and logistical infrastructure, long-established economic clusters in economic free zones and industrial areas, broad-based economic development driven by small and medium-sized enterprises ("**SMEs**") and the private sector, relatively low costs of doing business, an increasingly well-educated local workforce and the Government's financial robustness.

A founding member of the UAE, Sharjah benefits from the prevailing global view of the country as a stable and tolerant location that is open to trade, tourism and international business. It also benefits from the UAE's strong macroeconomic position and spending by the Federal Government on a range of key government functions, largely funded by fiscal transfers from the Government of Abu Dhabi. Within the UAE, Sharjah is unique in bordering all six other emirates and in holding seaboards on the country's west and east coasts. This central location has been exploited through the development of an extensive network of highways, container ports on both coasts and a growing international airport.

In contrast to some states/countries in the GCC, the Government is not extensively involved directly in the major commercial sectors of the economy. It has minority shareholdings in some strategic enterprises and directly operates critical infrastructure, but otherwise seeks to encourage the private sector to lead economic growth. Clusters of specialisation have developed around the Emirate's 19 industrial areas and two established free zones, with many businesses growing up from the large number of SMEs, and the Government envisages future development in sectors such as tourism, healthcare, environmental industries, logistics and education. Economic activity and growth have been spread broadly across economic sectors, and the economy remains well diversified. Businesses are attracted to Sharjah because of the relatively low cost of property and labour and the absence of general corporate or personal income tax (excluding a levy on foreign banks and oil-extracting companies).

Gross Domestic Product

Sharjah's GDP was relatively resilient to swings in the macroeconomic cycle in recent years, including the 2008 global financial crisis (with nominal GDP falling in 2009 and subsequently returning to growth in 2010) and the fall in commodity prices in 2015.

This resilience was the result of the diversified nature of the Emirate's economy, low public sector debt and relatively low dependence on and government exposure to more volatile sectors, such as hydrocarbons and real estate. In 2017, according to data published by the FCSA, the Emirate's GDP increased (in nominal terms) to AED 92.7 billion as compared with AED 88.5 billion in 2016, representing a 4.7 per cent. increase from 2016 in nominal terms. The manufacturing sector is the largest sector of the Sharjah economy, accounting for 16.9 per cent. of its GDP in 2017, followed by the real estate sector, which accounted for 13.0 per cent. of GDP in 2017.

According to the FCSA, real GDP growth in the UAE was 5.1 per cent. in 2015, 3.0 per cent. in 2016 and 0.8 per cent. in 2017. Sharjah's GDP, as a percentage of the UAE's total GDP, accounted for 6.6 per cent. in 2017, 6.8 per cent. in 2016 and 6.5 per cent. in 2015. According to IMF forecasts, real GDP growth in the UAE is forecasted to be 2.9 per cent. in 2018 and 3.7 per cent. in 2019.

Sharjah's GDP per capita is estimated at AED 64,394 in 2017.

The following table shows the GDP and GDP per capita for the years indicated:

	2014	2015	2016	2017
UAE GDP (AED billion)	1,480.5	1,315.3	1,311.2	1,405.0
Sharjah GDP (AED billion)	82.4	85.2	88.5	92.7
Sharjah per capita GDP (AED)	61,198	60,546	62,722	64,394

Source: FCSA, Sharjah Census (with interpolated population estimates between Census dates and assumed population growth rate beyond the 2015 Census date)

Alongside GDP growth, there has been steady growth in the number of onshore licensed companies operating in Sharjah, reflecting both the expansion of the economy and the continuing important role that

SMEs play in it. The table below shows licences issued by the SEDD for companies operating outside free zones.

	2013	2014	2015	2016	2017
Number of Licences	61,793	65,563	68,351	71,287	64,640

Source: SEDD.

Principal Sectors of the Economy

Sharjah's economy is well diversified without any single sector contributing more than 20 per cent. of GDP in 2017. Recent economic growth has been broad-based across multiple sectors.

The following table sets out the contribution of each sector to the economy of Sharjah for the years indicated:

	2017	% of total	2016	% of total	2015	% of total
	(AED millions)	*%*	*(AED millions)*	*%*	*(AED millions)*	*%*
Agriculture, Forestry and Fishing	1,458	1.6	1,395	1.6	1,283	1.5
Mining and quarrying (includes crude oil and natural gas).	6,287	6.8	5,071	5.7	6,337	7.4
Manufacturing	15,684	16.9	15,154	17.1	14,355	16.8
Electricity, gas and water supply; waste management activities	2,917	3.1	2,775	3.1	2,473	2.9
Construction	7,424	8.0	7,207	8.1	6,894	8.1
Wholesale and retail trade; repair of motor vehicles and motorcycles	11,172	12.1	10,794	12.2	10,479	12.3
Transportation and storage	4,576	4.9	4,350	4.9	4,115	4.8
Accommodation and food services activities	3,157	3.4	2,995	3.4	2,850	3.3
Information and communication	994	1.1	977	1.1	953	1.1
Financial and insurance activities	9,516	10.3	9,275	10.5	8,657	10.1
Real estate activities	12,018	13.0	11,759	13.3	11,300	13.2
Professional, scientific and technical activities	5,396	5.8	5,264	5.9	4,958	5.8
Administrative and support service activities	3,420	3.7	3,317	3.7	3,090	3.6
Public administration and defence; compulsory social security	4,252	4.6	3,883	4.4	3,693	4.8
Education	1,171	1.3	1,135	1.3	976	1.1
Human health and social work activities	1,098	1.2	1,040	1.2	912	1.1
Arts, recreation and other service activities	1,230	1.3	1,200	1.4	1,052	1.2
Activities of households as employers	935	1.0	930	1.1	912	1.1
Total	92,704		88,521		85,291	
Total Non-oil	86,417		83,451		78,953	

Manufacturing

The manufacturing sector is the largest measured sector of Sharjah's economy and contributed 16.9 per cent. to Sharjah's nominal GDP in 2017 and 17.1 per cent. in 2016. While the manufacturing sector is diverse and competitive, the most significant sub-sectors include cement, glass, petrochemicals, paint, dried food and household goods.

Sharjah's manufacturing industries have developed in clusters centred on 19 industrial areas to the east of Sharjah City and on two economic free zones: (i) the Hamriyah Free Zone ("**HFZ**"); and (ii) the Sharjah Airport International Free Zone ("**SAIF Zone**"). The Government has allocated land for and commenced the development of new industrial areas along the Emirate's major outer highways, including Emirates International City (covering 25.3 million square metres) and Sharjah Investment Centre (covering 3.0 million square metres), as well as a new research technology and innovation park situated on 1.8 million square metres of land and established by the American University of Sharjah ("**AUS**") and Mubadala Development Company PJSC (see further "*Foreign Direct Investment and Free Zones — Sharjah Airport International Free Zone*" below).

The Government continues to release land for industrial development to facilitate economic expansion. The Al Sajaa area, situated close to two major highways, is currently the site of significant industrial activity, including in the oil and gas and cement sub-sectors, and the Government (through Sharjah Asset Management LLC) has recently completed the first phase of a project to sell and lease parcels of land covering an area of 1.31 million square metres in Al Sajaa Industrial Oasis.

Sharjah Cement and Industrial Development Co. (PJSC) ("**SCIDC**") was established in 1977 under an Emiri Decree issued by H.H. The Ruler and is one of Sharjah's important local manufacturers in the cement and building materials industry. SCIDC is a private sector company listed on the Abu Dhabi Stock Exchange ("**ADX**"). As at the date of this Base Prospectus, the Government held 14.78 per cent. of the shares in SCIDC through Sharjah Asset Management LLC and 9.09 per cent. of the shares in SCIDC through the Sharjah Social Security Fund (the "**SSSF**"). SCIDC's total comprehensive income in 2017 was AED 64.7 million, compared to AED 64.0 million in 2016 (Source: Sharjah Asset Management).

Real Estate Activities

The real estate sector is the second largest measured sector of Sharjah's economy and contributed 13.0 per cent. of Sharjah's nominal GDP in 2017 and 13.3 per cent. in 2016.

Recent initiatives in the sector include the construction of the Sharjah Waterfront City by Sharjah Oasis Real Estate Development. The land reclamation work for the project was completed in 2016 and the development will, upon completion, comprise 5.6 million square metres of residential developments across 10 islands situated around a new creek. The development is listed by the Middle East Economic Digest as the third-largest mixed-use development currently underway in the Middle East. In 2017, the privately-owned development company Arada announced the Al Jada project, a 2.2 million square metre master-planned mixed-use development that is intended eventually to house 70,000 residents, located adjacent to the University City. In recognition of the strategic nature of this project to the development of the Emirate, the Government has provided guarantees for bank debt in relation to the Al Jada project totalling AED 1.6 billion.

The Al Zahia development is another large residential development under construction, offering 1.3 million square metre mixed-use project in a joint venture partnership between the Government and Majid Al Futtaim Properties LLC (known as Sharjah Holding), located near SIA and the University City of Sharjah. The first phase of the construction of Al Zahia was completed in 2014, with work ongoing on subsequent phases. In another joint venture between the Government and the private sector, Tilal City permits property buyers to develop their own plots in a location adjacent to a major inter-emirate highway, choosing from a menu of approved design options.

According to Article 4 of Law No. 5 of 2010 on Real Estate Registration in the Emirate of Sharjah, ownership of any real estate property in the Emirate is restricted to UAE and GCC nationals, or companies wholly-owned by UAE and GCC nationals. Article 4 of Law No. 5 of 2010 on Real Estate Registration provides for exceptions where: (i) ownership is granted by approval of H.H. The Ruler; (ii) ownership is obtained through heritages, according to a Shari'a notification; or (iii) ownership is obtained through the assignment by the owner to one of his or her relatives of first degree.

Restrictions on foreign ownership and limited price growth in recent years meant that, although real estate prices in Sharjah were materially affected by the 2008 global financial crisis, there was a limited impact on Sharjah's economy and public finances. With most property owned by end-users or active landlords, the Emirate did not experience the rapid withdrawal of foreign capital that was seen elsewhere in the region. On 16 November 2014, H.H. The Ruler issued Executive Council Resolution No. 26 of 2014 ("**Resolution No. 26**"), which allows foreign nationals and companies owned by foreign nationals to own usufruct rights over vacant plots of land for a period of 100 years in Sharjah, and to register such usufruct rights with the Sharjah Real Estate Department. Resolution No. 26 was issued to promote investment in Sharjah, by opening Sharjah's real estate market to foreigners through long-term leasehold arrangements. The Government intends to utilise the new arrangements for foreign ownership on a very limited number of plots in new developments.

According to the Real Estate Registration Department (a centralised department of the Government), the value of sales transactions in the real estate sector amounted to AED 29.7 billion in 2017 compared to AED 24.7 billion in 2016 and AED 22.5 billion in 2015. Most of these transactions were conducted by GCC nationals.

Wholesale and retail trade

The wholesale and retail trade sector is close behind the real estate sector as the third largest measured sector of Sharjah's economy and contributed approximately 12.1 per cent. of Sharjah's nominal GDP in 2017 and 12.2 per cent. in 2016.

The sector is primarily driven by the growth in Sharjah's economy and population as well as an increase in the number of new malls and the number of expatriates choosing to reside in Sharjah. Sharjah is also selected as a base for several wholesalers due to its attractive tax environment and connections to the MENA region.

Most activity in this sector is firmly led by the private sector. Sharjah Holding, a joint venture between the Government and Majid Al Futtaim Properties LLC, is currently developing neighbourhood malls to service residential districts within Sharjah. Majid Al Futtaim Properties LLC is also developing Sharjah's largest mall, a "super-regional" scale complex with a gross leasable area of 130,000 square metres.

As noted above, although most activity in this sector is led by the private sector, the Government has become directly involved in some projects of strategic and/or social importance, including the construction of a new fish, meat, fruit and vegetable market in the Jubail district, consisting of a 400 unit facility at a cost of approximately AED 173 million. The new market in the Jubail district is intended to protect traditional local trade, enhance product quality and to attract tourists and shoppers to the heritage area of Sharjah City.

In addition, the Government has relocated the used-car hub in Sharjah to a new auto mall (the "**Auto Mall**") located on one of the outer highways, which covers an area of 420,000 square metres, at a cost of approximately AED 268 million. The Auto Mall is intended to ensure the sustainability of Sharjah's large second-hand car market.

Financial and Insurance Activities

The financial and insurance activities sector contributed 10.3 per cent. in 2017 of Sharjah's nominal GDP and 10.5 per cent. in 2016.

There are four banks incorporated in Sharjah: Bank of Sharjah ("**BoS**"), Investbank P.S.C., Sharjah Islamic Bank ("**SIB**") and United Arab Bank (which have two, six, 21 and seven branches, respectively, in the Emirate). In addition, there are 15 branches of foreign banks and 93 branches of non-Sharjah based national banks (or a total of 129 branches of national banks). As at the date of this Base Prospectus, the Government held 17.16 per cent. of the share capital of BoS and 28.46 per cent. of the share capital of SIB through Sharjah Asset Management LLC. Both BoS and SIB are listed on the ADX (for further detail on the capitalisation of BoS and SIB, see "*Monetary and Financial System — Banking and Financial Services*"). These holdings of the Government are maintained and executed through Sharjah Asset Management LLC, a wholly owned subsidiary of the Finance Department.

The SSSF subscribed to AED 268.81 million of SIB's Convertible Sukuk in 2017. In late 2017, the SSSF exercised the option to convert its holdings of SIB's Convertible Sukuk into ordinary shares of SIB. In accordance with the terms of the Convertible Sukuk, new ordinary shares totalling 268.805 million were issued by SIB to the SSSF. By virtue of this activity, the shareholding of the Sharjah Government through Sharjah Asset Management LLC in SIB diluted from 31.3 to 28.46 per cent., while Sharjah Social Security Fund became 9.09 per cent. shareholders.

In December 2018, the Government offered to support the capital requirements of Invest Bank with an injection of AED 1,115 million in exchange for a 50.07 per cent. stake in the bank, at a purchase price of AED 0.70 per share. The proposal included a commitment to underwrite a subsequent rights issue by Invest Bank during 2019 with up to AED 785 million, should the bank require further capital during the year. Regulators have reviewed the proposal and the shareholders of Invest Bank are considering the offer, which is subject to agreement, and board and shareholder-level approval.

Whilst viewing the Invest Bank transaction as a commercially and strategically viable investment in its own right, the Government has also stated that it is exploring ways to rationalise and consolidate the Emirate's financial services sector.

Mining and quarrying

The mining and quarrying sector, which includes crude oil and natural gas, contributed 6.8 per cent. to Sharjah's nominal GDP in 2017 and 5.7 per cent. in 2016.

The sector is primarily driven by the production and supply of energy for Sharjah's residents and businesses. Although it produces gas and liquid petroleum gas, the Emirate is a net importer of energy and fuel. In

recent years, international crude oil prices have experienced large fluctuations. The OPEC Reference Basket fell from a high monthly average price per barrel of U.S.$108 in June 2014 to a monthly average price of U.S.$26.50 in January 2016, subsequently recovering to U.S.$63.82 in February 2019 (see "*Risk Factors – Risk Factors Relating to Sharjah and the UAE — General political and economic issues*").

Although Sharjah is the third largest hydrocarbon producer in the UAE, after Abu Dhabi and Dubai, this sector is just one of several contributors to the Emirate's economy. Total hydrocarbon production in Sharjah amounted to 4.8 million barrels of oil equivalent in 2017, 5.3 million barrels of oil equivalent in 2016 and 6.1 million barrels of oil equivalent in 2015. This declining trend with respect to total hydrocarbon production is expected to continue. In 2017, total hydrocarbon production in Sharjah of 4.8 million barrels of oil equivalent comprised 24.1 billion cubic feet of natural gas, 65.1 kilotonnes of liquefied petroleum gas and 1.6 million barrels of condensates. In 2016, total hydrocarbon production in Sharjah of 5.3 million barrels of oil equivalent, comprised 28.0 billion cubic feet of natural gas, 79.2 kilotonnes of liquefied petroleum gas and 1.8 million barrels of condensates.

All hydrocarbon production in Sharjah is overseen by the Sharjah Petroleum Council, a centralised department of the Government. The Sharjah National Oil Corporation ("**SNOC**"), which is a separate legal entity wholly owned by the Government, has taken over most operations on active onshore production facilities in Sharjah, with revenues from such facilities flowing directly to the Government. Dana Gas PJSC operates a small concession in the Zora field, with revenue raised indirectly by the Government through royalties, fees and charges.

SNOC has embarked on several projects to expand and diversify its portfolio. SNOC has awarded an engineering, procurement and construction management contract to Petrofac to construct a liquified petroleum gas blending and truck loading facility to divert liquefied petroleum gas production to the local market. Petrofac International Limited employs approximately 3,000 staff based in Sharjah in a range of functions supporting the hydrocarbon and petrochemical industries.

The Crescent Group was established in Sharjah in 1971 and is the MENA region's oldest privately-owned oil and gas company. The Crescent Group currently operates a portfolio of more than 25 diversified companies through its two main subsidiaries, Crescent Petroleum and Crescent Enterprises. Crescent Petroleum acts as a technical operator in several countries including Egypt, Pakistan, Yemen, Canada, Montenegro, Tunisia and Argentina.

Sharjah based Dana Gas PJSC is the 100 per cent. operator of the Sharjah Western Offshore Concession, the Zora field, approximately 35 km offshore from Sharjah. The production facilities include an offshore platform and onshore gas processing plant, where the gas is processed. The gas is sold to SEWA for power generation, with the associated recovered condensate being sold into the local market.

Dana Gas PJSC is the Middle East's largest regional private sector natural gas company established in December 2005 with a public listing on the ADX. It has exploration and production assets in Egypt, the Kurdistan region of Iraq and the UAE, with "2P" reserves exceeding one billion barrels of oil equivalent and average production of 67,050 barrels of oil equivalent in 2016.

On 13 January 2019, the Government awarded Eni Areas A, B & C onshore Exploration Concession Agreements. These agreements are the result of the first International Competitive Exploration Licensing Round launched by SNOC in 2018 to explore and develop new hydrocarbon resources through the establishment of new partnerships. Concession Area A and C cover respectively an area of 437 km2 and 1,184 km2. Eni will act as operator with 75 per cent. participating interest with SNOC as partner with a 25 per cent. stake. Concession Area B covers an area of 264 km2. SNOC will act as Operator with 50 per cent. participating interest with Eni holding 50 per cent. of stake.

Construction

The construction sector contributed 8 per cent. of Sharjah's nominal GDP in 2017 and 8.1 per cent. in 2016.

The construction sector is largely driven by activity in the private real estate market and by public projects to construct infrastructure and government buildings. The construction sector contribution of GDP has increased in order to reflect real estate demand and public sector expansion.

Transportation and storage

The transportation and storage sector contributed 4.9 per cent. of Sharjah's nominal GDP in each of the years ended 31 December 2017 and 31 December 2016. The sector is primarily driven by the Emirate's geographic location (bordering all six emirates and the UAE's west and east coasts), and by the development of air and sea ports.

Established in 1976, Gulftainer Company Limited is based in Sharjah and describes itself as one of the largest privately-owned port management and third party logistics companies in the world. The UAE operations of Gulftainer Company Limited include the Khorfakkan Container Terminal ("**KCT**") and Sharjah Container Terminal ("**SCT**"), as well as port operations and logistics in Ruwais Port in Abu Dhabi (for further details, see "*Infrastructure — Ports*" below.)

Public Administration and Defence

The public administration and defence sector contributed 4.6 per cent. of Sharjah's nominal GDP in 2017 and 4.4 per cent. in 2016. Some government services (including basic healthcare and education for UAE nationals, as well as business licensing and policing) are provided by the Federal Government, with the remainder provided by the Government (see "*Public Finance — Relationship with the Federal Government*").

Social Accommodation and Food Service

The accommodation and food service activities sector, which includes restaurants and hotels, contributed 3.4 per cent. of Sharjah's nominal GDP in both 2016 and 2017.

Sharjah's restaurants and hotels currently cater to mid-range customers and are priced lower than restaurants and hotels in some nearby geographies. The sector has been identified by the Government as having particular growth potential, with a focus on complementing the existing offering with a larger number of luxury options.

The following table sets out the number of Sharjah hotel rooms and number of guests for each of the years indicated.

	2013	2014	2015	2016	2017
Rooms	9,178	9,306	9,632	9,602	9,256
Guests (in thousands)	1,964	2,016	1,789	1,779	1,780

Source: Commerce and Tourism Development Authority.

As at 31 December 2018, there were 61 hotels and 47 hotel apartment complexes in the Emirate, and the occupancy rate for hotels was 64 per cent. It is expected that six new hotels with approximately 1,160 rooms, and 11 new hotel apartment developments with approximately 1,187 flats, will be opened in 2019. In 2018, there were eight new hotel openings with 761 rooms and one new hotel apartment developed with approximately 40 rooms. Recent new openings in Sharjah include Al Bait hotel (52 rooms), Kalba Kingfisher Eco Lodge (20 rooms) and Four Points by Sheraton (225 rooms).

Sharjah's tourism proposition is firmly based on the Emirate's focus on Islamic identity, culture and heritage. With over 600 mosques and over 20 museums in Sharjah City, the Emirate was selected as "Capital of Islamic Culture" for the year 2014 by the Organisation of the Islamic Conference and as the "Capital of Arab Tourism" for 2015 by the Council of Arab Tourism Ministers. These honours were met with a series of high-profile events and the opening of new facilities promoting tourism and the Emirate's identity, such as the Islamic Centre, which will incorporate a theatre, library, mosque and Al Qasimia Islamic university, new botanical gardens (focusing on the plants that feature in the Quran and other important religious texts), a new performance amphitheatre and shows and exhibitions.

Other long-standing cultural events include the Sharjah International Biennial, an art exhibition hosted by the Department of Culture and Information since 1993, and the Sharjah International Book Fair, the world's fourth largest book fair, hosted in the Sharjah Expo Centre since 1982. In recognition of its efforts to promote reading and literature, Sharjah has been chosen by UNESCO as the 2019 World Book Capital.

The Sharjah Investment and Development Authority ("**Shurooq**") undertakes joint venture developments with private sector partners to promote the growth of this sector. Recent projects include a canal-side

shopping and leisure district (the Al Qasba), a park, promenade, mosque and leisure and entertainment facility on the Corniche (the Al Majaz Waterfront), a landmark Flag Island, the Al Muntaza Theme Park and the Maraya Art Centre. Amongst other projects, Shurooq is currently working to develop the Emirate's first 5-star hotel resort in Khorfakkan on the east coast, in partnership with the Chedi Group, and a luxury heritage-themed hotel as the centrepiece of its 15 year masterplan (2010-2025) to restore the historic Heart of Sharjah district.

Shurooq is engaged in strategic joint ventures and partnerships in order to improve Sharjah's ability to attract tourists and investors. Examples of such joint ventures include its partnerships with: (i) Eagle Hills to develop three major projects (Maryam Island, Kalba Waterfront and Palace Al Khan) (ii) Nakheel to develop a new community retail centre; and (iii) Diamond Developers to develop a mixed-used project in Sustainable City. Shurooq has also entered into a new strategic partnership with leading Kuwaiti real estate developer Mabanee Company S.A.K. to develop a retail area covering 65,000 square meters area located on Mohamed Bin Zayed road, one of the UAE's major transport arteries connecting Sharjah with other emirates.

Shurooq is also developing environmental tourism in the region with the expansion of safari lodges in natural reserve areas. The Kingfisher Lodge commenced operations in 2018 and is located in the Kalba natural reserve area. There are two additional lodges currently under development: Al Badayer Oasis Lodge with a scheduled opening in the first quarter of 2019 and Fossil Rock Lodge in the fourth quarter of 2019.

Electricity, Gas and Water

The electricity, gas and water supply sector, which focuses on distribution to the public, contributed 3.1 per cent. of Sharjah's nominal GDP in each of the years ended 31 December 2017 and 31 December 2016. As with the mining and quarrying sector, the primary driver of activity in the electricity, gas and water supply sector is demand for utility services from residential, commercial and industrial areas in Sharjah. For further details, see "*Infrastructure — Utilities*" below.

Agriculture, Forestry and fishing

The agricultural sector contributed 1.6 per cent. of Sharjah's nominal GDP in each of the years ended 31 December 2017 and 31 December 2016. The sector includes small-scale arable production in areas irrigated from natural oases and aquifers in the north and east of the Emirate, with crops such as vegetables, dates and turf. Dairy and poultry production also form part of the agricultural sector.

Health and Social Work

The health and social work sector contributed 1.2 per cent. of Sharjah's nominal GDP in each of the years ended 31 December 2017 and 31 December 2016. The sector is primarily driven by activities of the Government, whether through the direct facilitation of social services or through the enablement of private sector delivery. The Government established the free zone of Sharjah Healthcare City to capitalise on regional demand for high-quality health services. The free zone authority provides basic infrastructure and a light-touch regulatory environment with the intention of attracting a wide range of healthcare providers from the UAE and from overseas. Sharjah Healthcare City is expected to expand the healthcare cluster, which has, in recent years, begun to develop around the adjacent site of University City, with the development of a teaching hospital, nursing college and dental college.

Other sectors

The arts, recreation and other services sector and the education sector contributed 1.3 per cent. of Sharjah's nominal GDP in 2017 and 1.4 per cent. in 2016.

The Emirate is continuing to invest in infrastructure to establish itself as a regional centre for educational excellence. In particular, the Government has established the University City, a 15 million square metre site which is home to a growing number of higher education institutions, including AUS, the University of Sharjah, Men's and Ladies' Colleges, Sharjah Higher Colleges of Technology, Skyline University and the Police Sciences Institute. The Sharjah Research Academy has also been established to serve as an umbrella organisation for 10 research institutes specialising in fields such as renewable energy, medical research, environmental research and engineering research. The Government has implemented a Research Levy of AED 10 on all government service fees of AED 50 or more, which will be used alongside other funding to

support a research programme, coordinated by the AUS, with a total budget of U.S.$500 million from 2017 to 2022, aiming to make Sharjah the leading research centre in the region.

The professional, scientific and technical activities sector, contributed 5.8 per cent. of Sharjah's nominal GDP in 2017 and 5.9 per cent. in 2016.

Inflation

The table below shows the levels of the General Consumer Price Index ("**CPI**") (together with its constituent elements) for Sharjah for each of the years indicated.

Major Groups of Expenditure	2013	2014	2015	2016	2017
All items of consumer price index	98.40	100	103.38	104.23	107.09
Food and non-alcoholic beverages	98.67	100	101.67	102.47	106.26
Tobacco group	96.61	100	102.09	102.05	120.64
Clothing and Footwear	97.22	100	102.06	102.40	99.47
Housing, water, electricity, gas fuel	99.47	100	105.76	107.89	109.89
Furniture and furnishing, household appliances and repair	94.58	100	101.24	101.41	100.95
Health	99.94	100	99.91	99.97	99.86
Transportation	98.92	100	102.63	99.22	103.03
Telecommunications	99.53	100	100.14	99.05	98.81
Recreation and Culture	98.51	100	101.99	102.58	102.90
Education	95.22	100	104.79	108.83	114.09
Restaurants and hotels	98.72	100	104.02	105.00	104.72
Miscellaneous goods and services	96.81	100	101.70	101.93	114.93

Base year 2014=100.
Source: Federal Competitiveness and Statistics Authority

The table below shows the CPI and the percentage change, year-on-year, of the CPI of Sharjah and of the UAE for each of the years indicated.

	2013	2014	2015	2016	2017
Sharjah CPI	98.4	100	103.4	104.2	107.1
Sharjah CPI (percentage change, year on year)	1.2	1.6	3.4	0.8	2.7
UAE CPI	97.7	100	104.1	105.8	107.8
UAE CPI (percentage change, year on year)	0.8	2.3	4.1	1.6	1.97

Base year 2014=100.
Source: Federal Competitiveness and Statistics Authority.

Employment and Wages

Data from the 2015 Sharjah Census (the "**2015 Census**") shows that 74 per cent. of Sharjah's residents aged 15 or over are employed, with a further 12 per cent. being domestic workers and 3.0 per cent. being business owners, self-employed or students with employment. 5.3 per cent. of Sharjah's residents are full-time students and 1.6 per cent. are retired, self-supporting or working for free. Only 3.7 per cent. of the resident population are unemployed. In general, expatriates are required to be employed or sponsored by an employed family member in order to remain in the UAE. As a result, expatriates are not entitled to unemployment benefits or to social services and the Government's focus is on employment for UAE nationals.

The table below shows employment by category of Sharjah based nationals aged 15 or over, based on the results of the 2015 Census.

	Number	Percentage
Employees and domestic workers	61,367	59%
Business owners, self-employed and students with employment	2,325	2%
Full-time students	19,260	19%
Retired, self-supporting and working for free	13,638	13%
Unemployed	7,175	7%
Total	**103,765**	**100%**

Source: Sharjah Census 2015.

The 2015 Census indicated that 80 per cent. of respondents aged 15 and over were working or studying, whereas 13 per cent. were outside the workforce for various reasons (e.g. retirement, doing voluntary work), and 7 per cent. were unemployed.

In September 1999, UAE nationals working for private companies became entitled to the same social security and pension benefits as those working for the Federal Government. Under the Federal Government's national pension and social security scheme, nationals who have contributed to the scheme will be eligible for retirement benefits, disability benefits and compensation on death. The General Authority for Pensions and Social Security, an independent entity of the Federal Government, which invests employer and employee contributions to fund the social security programme, was established to operate the scheme. Separate social security provision is made for all members of the military and the police force.

On 2 November 2017, H.H. The Ruler issued Emiri Decree No. 70 of 2017 to establish the SSSF. The decree stipulates that Emirati employees working in Sharjah's government and semi-government entities, including companies and private sector enterprises wholly owned by the Government, will benefit from the pensions and retirement benefits framework established by the SSSF.

Infrastructure

Infrastructure development is considered to be a key component for Sharjah's future expansion, economic growth and social connectivity. Sharjah is well-connected to the other emirates, has good telecommunication facilities, and a well-established road network with large highways linking it to Abu Dhabi, Dubai and the northern emirates and a number of ports. Sharjah is also the location of the UAE's third largest airport, SIA, and is adjacent to Dubai International Airport, the world's busiest airport.

Roads and Railways

An extensive network of roads has been developed in Sharjah over recent decades. In 2014, the Sharjah Roads and Transport Authority (the "**SRTA**") was established to combine public transport provision and transport infrastructure planning within the Emirate. The SRTA is developing a strategic transport plan for the Emirate. The SRTA's own taxi fleet has grown from 720 taxis in 2012 to 1,540 in 2016 (out of a total of 5,300 taxis operating in Sharjah), and the SRTA has more than doubled the number of intercity buses to 69 over the same period.

The Federal Government is responsible for building and maintaining inter-emirate highways, notably the Sheikh Mohammed Bin Zayed Road and the Emirates Highway on which major upgrade programmes have recently been completed, including widening of busy portions of the route and junction enhancements to create freer traffic flow.

The Government is currently investing in a major new highway to link Khorfakkan Port on the east coast with Sharjah City, and includes the UAE's longest rock tunnel through the Hajar mountains. The total cost of the multi-year project, which is funded by the Government, is approximately AED 5 billion.

Other projects underway for relieving traffic congestion in Sharjah City include multiple surface improvement, road widening and junction amendment projects.

H.H. The Ruler of Sharjah recently hosted a delegation including the Chairman of the Board of Directors of Etihad Rail Company to discuss the latest developments in the UAE railway project, which is expected to link the Emirates with a modern and sophisticated network, and the timetable for completion of the project, the main sectors of the railway project, as well as the anticipated and desired benefits of the project and its economic, social, commercial and environmental implications.

In 2015, stage one of the project, which extends 264km, was delivered, linking the Shah and Habshan gas fields in the Al Dhafra region of Abu Dhabi to the port of Ruwais on the Arabian Gulf, with a capacity of transferring 22,000 tons of sulfur granules daily.

The second stage is expected to extend 605km from Ghuweifat on the border with Saudi Arabia to Fujairah on the east coast, to be followed by future route additions.

Ports

Sharjah has three deep water ports, which provide access to the Indian Ocean and the Arabian Gulf and have a combined capacity of 4 million containers: (i) Khorfakkan Port; (ii) Hamriyah Port; and (iii) Port Khalid.

Khorfakkan Port was established in 1977 and underwent a major expansion in 2010 to handle the growing demand for container vessels. The port has six berths with a total aggregate length of 2.0 kilometres and is dredged to 16.0 metres at mean low water. Khorfakkan Port is the only container port on the UAE's east coast, providing direct access to the Indian Ocean without passing through the Strait of Hormuz. Khorfakkan Port has an open yard storage facility capacity of 600,000 square metres out of a total area of 850,000 square metres.

Hamriyah Port, established in 1986, is located adjacent to HFZ, providing marine access for the free zone's industrial operators. The port, which specialises in the provision of bulk, general and project cargo services, is close to major international shipping lanes. It has six deep water berths, is dredged to 14 metres and has three specialised berths for handling petrochemical shipments. Other services include open yard and warehouse storage facilities. In addition, Hamriyah Port has an inner harbour with a 3.2 kilometre quay wall. Hamriyah Port is currently being upgraded to accommodate a new LNG receiving facility to serve Sharjah and the northern Emirates.

Port Khalid in Sharjah City was established in 1976 and has three deep water berths ranging from 220 metres to 1,000 metres in length and is dredged to 12.5 metres. Port Khalid also has 16 normal berths of nine metre draft. Port Khalid specialises in the provision of bulk, general and project services and provides open yard and warehouse storage facilities.

Sharjah International Airport and Aviation

SIA is the third largest airport in the UAE and is differentiated from other airports in the region by its high level of freight services and its close partnership with Air Arabia, which uses SIA as its primary hub. SIA occupies an area of approximately 5,000 acres located to the east of Sharjah City, connected to the city and to other emirates by major highways. In 2014, a new 4,060 metre runway was built, at a cost of around AED 500 million.

Sharjah International Airport Key Figures

	2013	2014	2015	2016	2017
Passengers (millions)	8.5	9.5	10.0	11.0	11.4
Aircraft Movement	66,247	70,559	71,426	75,967	77,627
Cargo (tonnes)	295,402	240,000	213,348	180,911	148,312

SIA hosted flights from 32 airlines in the years ended 31 December 2017 and 31 December 2016 (including passenger and cargo airlines), serving over 100 destinations in both years (*source*: Sharjah Airport Authority).

Sharjah has developed a niche in the sea-to-air traffic sector through the SAIF Zone where sea-to-air transfers can be made within six to eight hours.

As part of the first phase of the expansion of SIA, a second runway has been constructed, which became operational in October 2014. The new runway accommodates large new generation ICAO (International Civil Aviation Organization) Code F aircraft such as the Airbus A380.

A second phase of the expansion of SIA is being planned by Sharjah Airport Authority, with the objective of increasing capacity through the construction of a second terminal in addition to the new runway. In 2016, passenger movements were 4.6 million (total passenger movement), compared to 4.2 million departures in 2015.The planned expansion, which is now in the procurement phase, is expected to increase the airport's capacity to 20 million passengers per annum following completion, which is expected by 2023. Financing for the expansion will come from a combination of Sharjah Airport Authority’s existing revenues and debt financing, potentially including export finance where applicable.

Air Arabia was incorporated in 2003 as the first low-cost airline in the Middle East. Its primary hub is SIA and it serves over 90 destinations in the MENA region, Asia and Europe. Air Arabia has contributed to an

increase in tourism numbers in Sharjah and the wider UAE and carried 8.4 million passengers in 2016, compared to 7.6 million passengers in 2015. Air Arabia is listed on the Dubai Financial Market (the "**DFM**"). Following the filing for voluntary liquidation by two entities in the Abraaj Group in June 2018, Air Arabia has recognised in its financial statements for 2018 an impairment loss against investments measured at amortised cost of AED 1,102 million and interest accruing thereon amounting to AED 32.5 million, and reduced the value of its investment measured at fair value through other comprehensive income by AED 226 million. Notwithstanding this accounting treatment, Air Arabia is actively seeking to maximise the recovery and realisation of its investments with the Abraaj Group.

Telecommunications

The UAE has well-developed, technologically-advanced telecommunications infrastructure and has high mobile telephone penetration. Since 1976, the majority Federal Government-owned telecommunications corporation, Emirates Telecommunications Corporation ("**Etisalat**"), has operated, maintained and developed the national and international fixed-line network, mobile telephony, internet access and cable TV services.

In mid-2004, the Federal Government announced plans to end the monopoly of Etisalat. A regulator, the Telecommunications Regulatory Authority ("**TRA**"), was formed to oversee the process and, in 2006, it granted a licence to Emirates Integrated Telecommunications Company, a new telecom provider (known in the market as "**du**") owned 39.50 per cent. by the Federal Government (through the Emirates Investment Authority), 20.08 per cent. by Mubadala Development Company PJSC, 20 per cent. by Emirates Telecommunications and Technology Ltd. and 20.92 per cent. by the public.

The UAE's well-developed, technologically-advanced telecommunications infrastructure and high mobile telephone penetration contribute to the growth of Sharjah's economy.

Utilities

SEWA is 100 per cent. owned by the Government and is responsible for providing power, water and natural gas in the Emirate.

In 1995, H.H. The Ruler issued Emiri Decree No. 1 of 1995 establishing SEWA. SEWA regulates the ownership, management, operation and maintenance of electricity generation and water desalination plants, water rights, distribution and transport network, electricity transmission and dispatch network and other assets and facilities of the electricity and water sector in the Emirate. The authority also monitors the price of water and power services sold to consumers, in order to ensure fairness and transparency at all times, and that present and future consumer demand, in water and power services is properly met through sustainable planning and development, and that local water and electricity projects are managed and run consistently with international best practices and existing environmental laws. SEWA is also empowered to set up central cooling stations, to establish clean energy companies and to enter into joint ventures with companies in the field of renewable and alternative energy.

Electricity is generated by gas and diesel fired power stations located within the Emirate. In 2017, electricity consumption in Sharjah was 10.9 billion KWh, up from 10.5 billion KWh the previous year and 10.8 billion KWh in 2015, according to data from SEWA.

SEWA supplements locally-produced electricity through electricity purchase agreements with the Abu Dhabi Water and Electricity Company ("**ADWEC**") through the Emirates National Grid. The total demand for electricity in Sharjah is expected to increase from 2,000 MW in 2013 to 4,066 MW in 2023. SEWA is planning to meet this need by increasing generating capacity, increasing the use of natural gas from Sharjah's own gas fields and by entering into additional electricity purchase agreements with the ADWEC and fuel supply arrangements, subject to commercial negotiations with third parties. A long-term plan has been devised to address the need for new capacity and to diversify fuel mix and the supplier base. SEWA's planned investment programme includes a 1,800 MW combined cycle gas turbine plant in Al Hamriyah, to be procured under the Independent Power Producer structure, with SEWA as the sole off-taker and Sharjah Asset Management LLC as a minority shareholder in the project consortium; and a 1,026 MW combined cycle gas turbine plant in Al Layyeh being procured under a conventional Engineering, Procurement and Construction contract model, primarily using export finance with SEWA as the obligor (with no Government guarantee). SEWA is also considering expansion of its water desalination capacity and electricity transmission and distribution network.

In 2017 SEWA provided 110.1 million cubic metres of natural gas to properties, extracted 4,639 million gallons of water from underground sources and produced 32,915 million gallons of water through desalination.

Education

The development of Sharjah's education system has been a key priority for the Emirate due to H.H. The Ruler's personal leadership, which has led to significant investments in human capital, founded on the understanding that an educated population is vital to the long-term growth of Sharjah's economy.

The Emirate is aiming to establish itself as a regional centre for educational excellence and, in order to achieve this, has invested significantly in this area in recent years. In particular, the Government has established the University City, a 15 million square metre site which is home to a growing number of higher education institutions, including AUS, the University of Sharjah, Men's and Ladies' Colleges, Sharjah Higher Colleges of Technology, Skyline University and the Police Sciences Institute. The Sharjah Research Academy has also been established to serve as an umbrella organisation for 10 research institutes specialising in fields such as renewable energy, medical research, environmental research and engineering research.

AUS is one of the few universities in the MENA region to be featured in the top 500 of the Quacquarelli Symonds world university rankings that evaluate the top 800 universities out of approximately 3,000 universities that operate in the world. The AUS campus was established in 1997 and, at present, has a total enrolment of over 6,000 students. As at September 2016 AUS has awarded 10,732 bachelor degrees and 1,317 master's degrees through the College of Architecture, Art and Design, the College of Arts and Sciences, the College of Engineering and the School of Business Administration.

In April 1997, the Government established the University of Sharjah through Emiri Decree. Since its establishment, the Government has opened other campuses of the University of Sharjah on the east coast of Sharjah to widen educational access. The university has in excess of 15,300 students and currently offers the largest number of accredited programmes in the UAE, with 101 academic degree programmes including 52 bachelor's degrees, 23 master's degrees, 11 PhD degrees, one graduate degree and 14 associate diploma degrees.

A cluster of health-related education institutes has developed in University City, including a teaching hospital, nursing college and dental college. These will complement Sharjah Healthcare City as an engine for the future sectoral growth.

In April 2015, a new Islamic university, Al Qasimia University, was officially opened in Sharjah, as part of the Islamic Centre being developed to mark Sharjah's status as Capital of Islamic Culture in 2014.

The Government has also developed a new research centre, Sharjah Research Centre, to document detailed information regarding the publishing world in the Middle East. Sharjah Research Centre was opened in 2015. In January 2017, the Government implemented a Research Levy of AED 10 on all government service fees of AED 50 or more, which will be used alongside other funding to support a research programme, coordinated by the AUS, with a total budget of U.S.$500 million from 2017 to 2021, aiming to make Sharjah the leading research centre in the region.

The AUS Research, Technology and Innovation (RTI) Park is currently being developed, adjacent to American University of Sharjah campus, by the university's commercial and investment arm AUS Enterprises. The park will encourage research, development and knowledge-intensive businesses to establish themselves in the free zone.

While the Federal Government provides basic education for UAE nationals, the Government opts to supplement this with its own initiatives and funding in order to enhance provision. This activity is overseen by the Education Council, a centralised department of the Government. The Government has implemented a "model school" programme, providing equipment, facilities and pedagogic support according to international best practice, initially for a number of pilot schools, but now being rolled out more widely.

Schooling for expatriate children is provided in the private sector, with some Sharjah schools, such as Victoria International School, Choueifat School and Sharjah English School, considered among the top education establishments in the UAE.

Foreign Direct Investment and Free Zones

In April 2017, the Sharjah Foreign Direct Investment Office in Shurooq announced that Sharjah's total foreign direct investment was expected to exceed AED 1 billion by the end of the calendar year, which would represent an anticipated growth of 15 per cent. on 2016. A study commissioned by Invest in Sharjah and based on the World Bank and the United Nations Conference on Trade and Development's methodology recorded USD 803.4 million FDI into Sharjah from outside the United Arab Emirates from January 2016 to April 2017.

The Sharjah Foreign Direct Investment Office is also active in promoting Sharjah across the globe, including the major markets in India, Russia, China, United States of America, Kingdom of Saudi Arabia, France, Italy, and Germany.

There are many incentives for foreign corporate entities to set up in one of the free zones in the UAE. Foreign corporate entities can operate in the free zones, and free zone incorporated entities can be 100 per cent. foreign owned unlike corporate entities registered in the UAE. Foreign corporate entities are not permitted to operate in the Emirate outside a free zone unless they operate in conjunction with a local partner. The ability to import into the free zones and to export without any import duties, taxes or currency restrictions being levied on the free zone entity has been a key driver for foreign corporate entities that are registered in the free zones.

Free zones have been established in each of the emirates of the UAE. The free zones in Sharjah offer 100 per cent. foreign ownership, a tax-free environment, free transfer of funds, competitive pricing, a one stop shop for business services and long-lease periods.

The following free zones are located in Sharjah: (i) HFZ (supervised by the Hamriyah Free Zone Authority); and (ii) SAIF Zone (supervised by the Sharjah Airport International Free Zone Authority). Sharjah Healthcare City was established by Emiri Decree in 2012 but is not yet fully operational (see "*Principal Sectors of the Economy — Health and Social Care*"), and a new media free zone, Shams (as defined herein), was established by Emiri Decree in 2016 to play a lead role in growing the Emirate's media and creative sectors, attracting entrepreneurs and startups and developing local talent. As part of the U.S.$500 million research programme being undertaken by the Government, a new Research, Technology and Innovation Park has been established adjacent to University City, with construction on the basic infrastructure currently underway.

Despite strong competition from other free zones, HFZ and SAIF Zone have grown steadily since 2011. The number of companies operating in each of HFZ and SAIF Zone are set out in the following table:

	Year				
	2013	**2014**	**2015**	**2016**	**2017**
HFZ	5,544	6,128	6,090	5,615	5,545
Saif Zone	6,165	6,745	6,833	6,786	6,956

Hamriyah Free Zone ("HFZ")

HFZ is located 20 kilometres north east of the centre of Sharjah City and is the second largest industrial free zone in the UAE. As at 31 December 2018, there were over 5,000 companies incorporated/licensed in HFZ from over 152 countries. HFZ is currently being expanded to provide increased space in the free zone in the maritime sector as well as the petrochemical and timber sectors.

Although a significant proportion of tenants in HFZ are involved in heavier and basic industries, due to HFZ's large land area and proximity to the ports, in practice a wide range of activities are conducted by companies operating in the free zone. As at 31 December 2018, the top five tenants in HFZ are: (i) Lamprell Energy Ltd; (ii) Damen Shipyard Sharjah FZE; (iii) Gulf Petrochem FZC; (iv) Quality International Co.LTD. FZC; and (v) Eversendai Engineering FZE. As at 31 December 2018, the key sectors of HFZ, in terms of the number of companies operating in the free zone, are oil & gas (19.0 per cent), machinery and equipment (20.0 per cent.), and professional services (13.0 per cent.).

To support the SME sector, HFZ provides the Hamriyah SME Zone, a large area, established in 2008, supported by inner harbour facilities, which provides preferential economic treatment for SMEs in terms of discounted lease rents and rent holidays in applicable cases. The Hamriyah Free Zone Logistic Village was established to provide an all in one logistics and distribution centre for companies operating in HFZ, and comprises over 400 warehouse units, ranging from 275 to 600 square metres in size. Hamriyah MB

Zone was established to cater for the requirements of micro business owners and offers convenient and practical business solutions for such business owners.

In addition to the 22 million square metres of land currently endowed to the HFZ in respect of the first and second phases of HFZ's development, another 4 million square metres has been allocated for the third phase of the HFZ's development, which is nearing completion and is set up for sectors such as steel, heavy engineering and allied industries.

Sharjah Airport International Free Zone ("SAIF Zone")

SAIF Zone is located adjacent to SIA, making it easily accessible by road to Sharjah's east and west coast sea ports as well as providing connectivity by air. Established in 1995 with 35 companies, as at 31 December 2017, SAIF Zone provided services to almost 7,000 companies with employees from 165 countries.

Given its location and the predominance of warehouse and office space, as compared to retail or industrial units, SAIF Zone has a particular focus on light to medium manufacturing, trading and professional services. There are also a number of business service companies operating from SAIF Zone who support other operators in the zone and the SIA area.

For further details, see "*Sharjah International Airport and Aviation*" above.

Shurooq

Shurooq, the Sharjah Investment and Development Authority, was established by Emiri Decree in 2009 as a public authority to support the economic development of Sharjah. Its objective is to attract foreign direct investment opportunities into the Emirate and to reshape the perception of the Emirate amongst international and regional communities.

Shurooq's main areas of activity are: (i) increasing investment into Sharjah; (ii) creating new employment opportunities; (iii) targeting priority sectors, markets and investors; (iv) improving the business environment of Sharjah; and (v) creating awareness of Sharjah as a business destination.

Shurooq has a general mandate to attract foreign direct investment across the economy. Shurooq undertook a major study in 2012 to identify sectors that had high potential to attract increased levels of investment and to lead future economic growth in Sharjah. This study identified travel and leisure, healthcare, transportation and logistics, and environmental industries as key areas of focus. Shurooq has since been focusing investment promotion activities in these sectors, supported by Government initiatives, such as development of new tourist facilities (travel and leisure); the establishment of a new healthcare free zone (healthcare); the expansion of seaport and airport activities (transportation and logistics); and the elimination of landfilling of municipal waste (environmental industries).

Shurooq also acts directly in the travel and leisure sector through developments and joint ventures (see "*Principal Sectors of the Economy — Accommodation and Food Service*"). These projects are intended as breakthrough initiatives to encourage and enable the private sector to bring forward its own future high-quality developments.

Sharjah Asset Management

Initially set up in 2008 as a division of Sharjah Finance Department, in 2012, Sharjah Asset Management LLC ("**SAM**") was established as an independent entity solely dedicated to the expansion of Sharjah's wealth. Its objectives are to create a competitive economy for the emirate through best-in-class investments and deployment of dedicated professionals to maximise returns from investments and enhance the economic development of Sharjah. SAM's operations cover investment, real estate development, asset management and new business ventures. In addition to its shareholdings in various private sector companies (see "*Public Finance—Government Assets and Investments—Government Investments*"), SAM manages publicly owned assets such as Souq Al Jubail fresh food market, Al Sajaa Industrial Oasis and Souq Al Haraj automotive park. It has entered into joint ventures in the real estate sector, such as Tilal Properties and Sharjah Holding, and the service delivery sector, including Rafid Automotive Solutions and Tasjeel vehicle registration service.

Sharjah Media City

Sharjah Media City ("**Shams**") was established in January 2017, with a vision to be a world-class hub for media and creativity in the region. Shams comprises a tax-free city with modern infrastructure and services. Shams' mission is to make creative entrepreneurship accessible to all aspiring startups, SMEs and established companies striving to grow their business both locally and globally. Shams offers smart innovative services, coupled with a holistic community-centred approach.

By 31 December 2017, 2,537 companies had registered in Shams, which increased to 4,785 companies as at 31 December 2018.

BALANCE OF PAYMENTS AND FOREIGN TRADE

As Sharjah does not prepare separate balance of payment statistics, this section describes the UAE's balance of payments generally, although the discussion of foreign trade focuses on Sharjah's trade, rather than that of the UAE.

The UAE has traditionally pursued a free-trade policy for deeper integration into the global trading system. The UAE pursues a free-trade policy by liberalising its trade regime through free-trade agreements ("**FTAs**") with other countries and organisations (including FTAs with Singapore, the European Free-trade Area and New Zealand in 2009). Being a member of the GCC, the UAE's trade policy is closely linked to the trade policy of the other GCC member countries on account of, amongst other things, the GCC Economic Agreement of 2002 which calls for a "collective negotiation strategy" in the conduct of FTAs with major trading partners, and the establishment of the GCC Customs Union in 2003 which was aimed at enhancing economic unity amongst the member states and to allow the member states to engage in FTA negotiations as a unified trading block.

Balance of Payments

Current Account

Since there are no separate figures on the current and capital account for Sharjah, the table below gives the balance of payments for the UAE for each of the years indicated.

	2015	2016	2017
		(AED billions)	
Current account balance	64.5	48.5	101.0
Trade balance (FOB)	281.2	251.3	297.1
Total exports of hydrocarbon	225.8	170.6	213.5
Total of non hydrocarbon exports	382.5	380.0	391.5
Re-exports[(1)]	495.2	532.9	546.5
Total exports and re-exports (FOB)	1,103.5	1,083.5	1,151.5
Total imports (FOB)	(822.3)	(832.1)	(854.4)
Services (net)	(77.6)	(67.0)	(55.0)
Investment income (net)	6.4	7.7	10.2
Transfers (net)	(145.6)	(143.6)	(151.3)
Financial account	(11.9)	(71.0)	(64.4)
Errors and omissions	3.7	(3.5)	(0.2)
Overall balance	**56.2**	**(26.0)**	**36.4**

(1) Includes re-exports of non-monetary gold.
Source: UAE Central Bank.

The UAE has a long history of positive trade balances reflecting both the importance of its hydrocarbon exports and its significant volumes of re-exports. The UAE's hydrocarbon exports accounted for 17.2 per cent. of total exports and re-exports in 2015, 13.3 per cent. in 2016 and 15.4 per cent. in 2017. The UAE's re-exports accounted for 37.7 per cent. of total exports and re-exports in 2015, 41.6 per cent. in 2016 and 39.3 per cent. in 2017.

The value of the UAE's hydrocarbon exports, the vast majority of which are made by Abu Dhabi, can be volatile as they depend on prevailing oil prices and the prevailing OPEC production quotas policy. Crude oil makes up the majority of the UAE's hydrocarbon exports, accounting for 70.58 per cent. in 2016.

Data on non trade flows into and out of the UAE is not complete and is subject to revision, reflecting, in part, weaknesses of the central statistical bodies and, in part, the operations of the large free zones. In general, however, the UAE tends to have a non trade balance deficit reflecting services outflows underlining the UAE's dependence on foreign services for the development of its industrial and services sectors. In addition, there are significant levels of current transfers principally reflecting expatriate workers' remittances.

The UAE had a positive current account balance in each of 2015, 2016 and 2017 (based on preliminary estimates subject to revision) equal to 4.9 per cent., 3.8 per cent. and 7.3 per cent., respectively, of the UAE's nominal GDP in each of these years. As at the date of this Base Prospectus, the UAE ranks amongst the top 15 countries in the world in terms of GDP per capita, which is estimated to be U.S.$67,700 (source: Central Intelligence Agency).

In 2014, the IMF issued the UAE 2014 Article IV Consultation. The UAE 2014 Article IV Consultation stated that the UAE had continued to benefit from its perceived safe-haven status amid regional instability and that its economic recovery had been solid, supported by the tourism and hospitality sectors, and a rebounding real estate sector. Despite moderated oil production, public projects in Abu Dhabi and buoyant growth in Dubai's service sectors continued to underpin growth. The UAE 2015 Article IV Consultation stated that lower oil prices were eroding long-standing fiscal and external surpluses, but the impact on economic activity in the UAE had been limited owing to large buffers. In July 2016, the IMF issued its UAE 2016 Article IV Consultation, which highlighted that persistently lower oil prices continued to weigh on economic sentiment and fiscal and external positions. However, large buffers built over time have provided ample policy space, limited negative inward spillovers and contained the weakening of investor appetite in the UAE generally. The consultation paper welcomed the UAE's resilience to the oil price shock. In addition, the IMF's directors commended the UAE authorities for their prudent policies, which helped build large fiscal and external buffers and strengthened the economy. Nevertheless, persistent lower oil prices continued to pose challenges. The IMF's directors underscored the need for sustained sound macroeconomic policies to reduce fiscal vulnerabilities, safeguard financial stability and promote long-term growth. In July 2017, the IMF issued its UAE 2017 Article IV Consultation, which highlighted that the UAE was weathering the post-2014 oil shock well, with growth expected to recover in the coming years. However, policy reforms such as more credible medium-term fiscal policy, revenue diversification, sector development, and improved financial sector regulation and supervision would be required for the economy to adapt to the new oil market realities. The IMF also highlighted the need to continue improvements in gathering statistics to aid policy analysis and decision making.

On 1 June 2014, the UAE was included in MSCI Inc.'s ("**MSCI**") Emerging Markets Index.

Capital Account

No data has been released on the UAE's external debt position. See "*Indebtedness*" for a description of direct indebtedness incurred by the Government. In general, the size of the UAE's trade and current account surpluses, coupled with the limited capacity of the local economy to absorb capital, ensures that net foreign capital flows have almost always been outward, entrenching the UAE's position as a net international creditor and foreign investor.

Most capital outflows have been directed towards the U.S. and European capital markets although more recently there has also been an increase in direct investment in Europe, Asia, Africa and the wider Middle East. This has included entities wholly or partially owned by the governments of certain emirates purchasing significant stakes in foreign companies as well as major corporations, such as Emirates Telecommunications Corporation (Etisalat), making significant acquisitions in order to boost their regional and international presence.

In 2015, 2016 and 2017, the net deficit in the financial account was AED 11.9 billion, AED 71.0 billion and AED 64.4 billion, respectively. Capital transfers by the private sector increased from an outflow of AED 113.3 billion in 2015, to an outflow of 121.4 billion in 2016 and an outflow of AED 129.3 billion in 2017, while public sector net transfers abroad decreased from AED 32.3 billion in 2015 to AED 22.2 billion in 2016, and decreased to AED 22.0 billion in 2017 (source: UAE Central Bank).

In 2017, the overall balance of payments registered a surplus of AED 36.4 billion, equal to 2.6 per cent. of the UAE's nominal GDP in that year.

According to data from the UAE Central Bank, as at 31 December 2015, 31 December 2016 and 31 December 2017, the UAE's foreign asset holdings (including the IMF) amounted to approximately AED 345.1 billion, AED 313.6 billion and AED 350.3 billion, respectively (see "*Monetary and Financial System — Foreign Reserves*").

The surplus in the trade balance (FOB) increased from AED 251.3 billion in 2016 to AED 297.1 billion in 2017, whilst total exports and re-exports (FOB) increased from AED 1,083.5 billion in 2016 to AED 1,151.5 billion in 2017. The surplus in the trade balance (FOB) increased in 2017, primarily due to an increase in exports within the hydrocarbon sector by AED 43.5 billion, from AED 170.6 billion to AED 213.5 billion.

UAE Foreign Trade

The section below summarises the UAE's foreign trade, using information compiled by the FCSA.

Total trade for the UAE increased to AED 1,527.8 billion in 2017, reflecting an increase of 41.6 per cent. from the previous year. The following table sets out the UAE's total foreign trade (imports, non-oil exports and re-exports) for each of the years 2014 to 2017:

	2014	2015	2016	2017
		(AED millions)		
Imports	696,426	676,375	694,885	946,466
Exports	132,219	161,218	168,633	181,039
Re-exports	243,733	221,419	215,333	400,308
Total Trade	**1,072,379**	**1,059,011**	**1,078,851**	**1,527,813**

Source: FCSA

Sharjah Foreign Trade

External trade continues to be a significant contributor to the Sharjah economy. As at the date of this Base Prospectus, efforts are underway to boost the export of Sharjah's manufactured products by implementing investor-friendly policies including zero corporate taxation, zero export taxation, low import duties and free currency transfers. Sharjah has a large re-export sector, particularly in the areas of pearls and semi-precious stones, machinery and electrical goods and vehicles, aircrafts and vessels (based on 2014 figures). The information in each of the tables below uses data supplied by Sharjah's Customs Department and therefore excludes all imports from, and exports to, neighbouring emirates in the UAE. This data also does not separately present re-exports.

The tables below provide summary information on Sharjah's principal imports and exports in the years indicated. As at the date of this Base Prospectus, consistent data is unavailable for 2015, 2016, 2017 and 2018.

	2012	2013	2014
		(AED billions)	
Imports			
Pearls, semi-precious stones, metals and jewellery	19.4	12.6	10.2
Vehicles, aircraft, vessels (transport equipment)	6.2	12.6	3.3
Machinery, electrical, televisions and their parts	4.7	8.1	3.0
Base metals and articles of base metals	6.7	5.7	2.4
Others	16.9	3.8	15.8
Total	**53.9**	**42.9**	**34.7**

Source: Department of Statistics and Community Development.

Sharjah's principal import items in 2014 were pearls and semi-precious stones, vehicles, aircraft, vessels and machinery and electrical goods, which together accounted for 47.6 per cent. of total imports.

	2012	2013	2014
		(AED billions)	
Exports			
Pearls and semi-precious stones, metals and jewellery	17.2	16.6	18.7
Machinery, electrical, televisions and their parts	7.5	8.9	13.7
Vehicles, aircraft, vessels (transport equipment)	6.1	7.7	14.4
Plastics. rubber	2.8	2.0	1.3
Others	8.2	7.0	8.1
Total	**41.7**	**42.2**	**56.2**

Source: Department of Statistics and Community Development.

Sharjah's principal export items are pearls, semi-precious stones, metals and jewellery. The products classified under this sector accounted for 41.2 per cent. of the total exports of the Emirate in 2012, 39.3 per cent. of the total exports of the Emirate in 2013 and 33.3 per cent. of the total exports of the Emirate in 2014. Exports of machinery and electrical goods increased from AED 8.9 billion in 2013 to AED 13.7 billion in 2014 and accounted for 24.4 per cent. of the total exports of the Emirate in 2014. Vehicles, aircrafts and vessels also significantly increased from AED 7.7 billion in 2013 to AED 14.4 billion in 2014 and accounted for 25.6 per cent. of the total exports of the Emirate in 2014.

The tables below show the geographical breakdown of Sharjah's imports and exports for the years indicated. As at the date of this Base Prospectus, consistent data is unavailable for 2015, 2016 and 2017.

	2012	2012	2013	2013	2014	2014
	%	Value	%	Value	%	Value
			(AED billions)			
Imports Country						
India	40.3	21.7	34.3	14.7	32.9	11.4
Iran	10.7	5.8	13.5	5.8	8.9	3.1
Japan	9.3	5.0	19.6	8.4	9.8	3.4
China	7.2	3.9	10.3	4.4	10.1	3.5
United States	5.0	2.7	6.5	2.8	4.0	1.4
Others	27.5	14.8	15.8	6.8	34.3	11.9
Total	**100.0**	**53.9**	**100.0**	**42.9**	**100.0**	**34.7**

Source: Department of Statistics and Community Development.

During 2014, India accounted for 32.9 per cent. of the total value of items imported into the Emirate, followed by China and Japan which represented 10.1 per cent. and 9.8 per cent. of the total value of imports, respectively.

	2012	2012	2013	2013	2014	2014
	%	Value	%	Value	%	Value
			(AED billions)			
Exports Country						
Iran	49.3	20.6	53.8	22.7	28.8	16.2
Iraq	13.3	5.5	8.8	3.7	24.0	13.5
Afghanistan	11.5	4.8	14.2	6.0	8.2	4.6
Others	25.9	10.8	23.2	9.8	39.0	21.9
Total	**100.0**	**41.7**	**100.0**	**42.2**	**100**	**56.2**

Source: Department of Statistics and Community Development.

During 2014, the Islamic Republic of Iran accounted for 28.8 per cent. of the total value of items exported from the Emirate, followed by Iraq and Afghanistan. The significant increase in the value of exports to Afghanistan during 2013, 2014 and 2015 reflects the demand for the building construction materials from that country as a result of an increase in construction and infrastructure development activities.

MONETARY AND FINANCIAL SYSTEM

As Sharjah does not have a separate monetary or financial system, this section describes the UAE's monetary and financial system generally, although certain sections focus specifically on Sharjah where information is available.

Monetary and Exchange Rate Policy

The UAE's monetary and exchange rate policy is managed by the UAE Central Bank. The objective of the UAE's monetary policy is to facilitate the fixed exchange rate regime. In common with many other GCC countries, and reflecting the fact that oil and gas revenues are priced in U.S. Dollars, the UAE Dirham is pegged to the U.S. Dollar. In the case of the UAE, the exchange rate has been maintained at AED 3.6725 = U.S.$1.00 since 22 November 1980. There are no exchange controls in the UAE and the UAE Dirham is freely convertible.

The UAE's monetary policy has been focused on protecting its banking sector and a number of measures have been announced by the UAE Central Bank and Federal authorities in this regard.

Liquidity and Money Supply

The following table sets out certain liquidity indicators for the UAE as at 31 December in each of the years indicated.

	2014	2015	2016	2017	2018
			(AED billions)		
Currency Issued	74.5	73.5	77.6	85.4	85.8
Cash at Banks	15.5	15.1	15.3	17.7	15.3
Currency in Circulation Outside Banks	59.0	58.4	62.3	67.7	70.5
Monetary Deposits	377.1	398.5	411.8	424.7	415.1
Money Supply M1[(1)]	436.1	456.9	474.1	492.4	485.6
Quasi- Monetary Deposits	689.3	729.9	751.4	783.8	822.8
Money Supply M2[(2)]	1,125.4	1,186.8	1,225.5	1,276.2	1,308.4
Government Deposits	189.1	156.0	185.9	210.9	293.9
Money Supply M3[(1)]	1,314.5	1,342.8	1,411.4	1,487.1	1,602.3

(1) Currency in Circulation Outside Banks (Currency Issued less Cash at banks) plus Monetary Deposits (being all short term deposits which bank customers can withdraw without prior notice)

(2) Money Supply M1 plus Quasi-Monetary Deposits (being resident time and savings deposits in Dirhams plus resident deposits in foreign currencies)

(3) Money Supply M2 plus Government Deposits at banks and at the UAE Central Bank

Source: UAE Central Bank and FCSA.

Money supply M1 (which consists of currency in circulation outside of banks (i.e. currency issued less cash at banks) plus monetary deposits in local currency with banks) increased from AED 474.1 billion as at 31 December 2016 to AED 492.4 billion as at 31 December 2017, before decreasing to AED 485.6 billion as at 31 December 2018. This was a result of fluctuations in monetary deposits from AED 411.8 billion as at 31 December 2016 and AED 424.7 billion as at 31 December 2017 to AED 415.1 billion as at 31 December 2018. However, currency in circulation outside of banks increased from AED 62.3 billion as at 31 December 2016 to AED 67.7 billion as at 31 December 2017, and increasing again to 70.5 billion as at 31 December 2018.

Money supply M2 (which consists of money supply M1 plus quasi-monetary deposits (i.e. resident time and savings deposits in Dirhams plus resident deposits in foreign currencies)) increased from AED 1,225.5 billion as at 31 December 2016 to AED 1,276.2 billion as at 31 December 2017 and to AED 1,308.4 billion as at 31 December 2018.

Generally, median money supply M2 is considered the best indicator for the availability of liquidity in the economy, as it comprises currency in circulation outside banks, in addition to various deposits of all the resident sectors except the government sector in the UAE.

Money supply M3 (which consists of money supply M2, plus government deposits at banks and at the UAE Central Bank) increased from AED 1,411.4 billion as at 31 December 2016 to AED 1,487.1 billion as at 31 December 2017 and again to AED 1,602.3 billion as at 31 December 2018. This was as a result of government deposits increasing over this time, amounting to AED 185.9 billion as at 31 December 2016, AED 210.9 billion as at 31 December 2017 and AED 293.9 billion as at 31 December 2018.

Foreign Reserves

The table below shows the foreign asset holdings of the UAE Central Bank as at 31 December in each of the years indicated.

	2014	2015	2016	2017	2018[1]
			(AED millions)		
Foreign Asset Holdings	288,247	345,147	313,610	350,260	365,426

(1) Preliminary

Source: UAE Central Bank.

The UAE Central Bank's gross international reserves are principally held in deposit accounts with banks outside the UAE or are invested in securities and treasury bills issued by non-UAE issuers. The official reserves figure, however, excludes the stock of publicly controlled foreign assets held in other accounts in investment bodies controlled by individual emirates.

Foreign currency reserves increased between 2014 and 2018, notwithstanding lower international oil environment since mid-2014.

Banking and Financial Services

As at 31 December 2017 and in addition to the 36 branches of Bank of Sharjah ("**BoS**"), Invest bank P.S.C., United Arab Bank and Sharjah Islamic Bank ("**SIB**") (combined) each located in the Emirate, the Emirate also had an additional 72 branches of non-Sharjah based national banks, 14 branches of foreign banks (out of 82 foreign bank branches throughout the UAE) (according to the UAE Central Bank Annual Report 2018). As at the date of this Base Prospectus, the Government owned 17.16 per cent. of the share capital of BoS and 37.55 per cent. of the share capital of SIB (through SAM and SSSF).

As at 31 December 2017, BoS, Invest bank P.S.C., United Arab Bank and SIB had AED 30,500 million, AED 16,949 million, AED 20,738 million and AED 38,289 million in total assets, respectively.

All banks in the UAE operate under the supervision of the UAE Central Bank.

The table below provides a statistical analysis of the UAE banking sector as at 31 December for each of the years indicated.

	2014	2015	2016	2017	2018[1]
			(AED millions)		
Banks					
Total Assets	**2,304,869**	**2,478,225**	**2,610,834**	**2,693,807**	**2,877,960**
Foreign Assets (Net)	**7,829**	**(83,885)**	**(43,208)**	**(16,842)**	**59,616**
Foreign Assets	**491,902**	**496,450**	**547,824**	**578,989**	**679,527**
Foreign Assets to Total Assets (%)	21%	20%	21%	22%	23.6%
Foreign Liabilities	**484,073**	**580,335**	**591,032**	**595,831**	**619,911**
Foreign Liabilities to Total Liabilities (%).	21%	23%	23%	22.1%	21.5%
Deposits[2]	**1,421,231**	**1,471,618**	**1,562,907**	**1,627,277**	**1,755,558**
Residents	1,267,279	1,300,126	1,363,904	1,435,600	1,542,162
of which: Corporate	517,415	563,100	591,442	604,435	592,630
Non-Residents	153,952	171,492	199,003	191,677	213,396
of which: Corporate	62,599	72,807	88,350	88,310	92,033
Bank Credit (Domestic)	**1,277,620**	**1,381,181**	**1,453,593**	**1,452,696**	**1,509,294**
of which: Credit to Private Sector[3]	958,373	1,043,202	1,093,967	1,105,007	1,150,199
Total Number of National Banks and Branches	**1,016**	**1,024**	**978**	**880**	**832**
Total Number of Foreign Banks and Branches	**168**	**161**	**154**	**147**	**140**
Number of Employees in Banks (UAE)[4]	**39,051**	**40,159**	**37,547**	**34,675**	**36,629**

(1) Preliminary
(2) Excluding Inter-Bank Deposits
(3) Including Claims on Other Financial Institutions
(4) Excluding Auxiliary Staff. Data Subject to Revision on Quarterly Basis

Supervision of Banks

The UAE Central Bank, established in 1980, is the governing body that regulates and supervises all banks operating in the UAE. The UAE Central Bank has supervisory responsibility for all banking institutions in the UAE. Supervision is carried out through on-site inspections and review of periodic submissions from the banks. The frequency of inspection depends on the perceived risk of the bank, but inspections are carried out in all banks at least once every 18 months. Returns are made monthly, quarterly, semi-annually or annually, depending on the nature of the information they are required to contain. An improved risk management framework is currently being implemented, which is designed to provide the UAE Central Bank with more up-to-date information on credit, market and operational risks within the banking sector.

Historically, the UAE Central Bank has not acted as a lender of last resort, a role which has tended to fall on the individual Emirates. However, the introduction by the UAE Central Bank in 2014 of the Interim Marginal Lending Facility (the "**IMLF**") is expected to enable non-Islamic UAE banks to use certain rated or Federal Government entity issued assets as collateral to access UAE Central Bank liquidity overnight in order to help their liquidity management (see further "*— Recent Trends in Banking — Liquidity*").

Federal Law No. 10 of 1980 (the "**1980 Law**") grants the UAE Central Bank powers to:

- exercise currency issue, stabilisation, valuation and free convertibility;
- direct credit policy for balanced growth of the economy;
- organise and promote an effective banking system with private banks and institutions;
- advise the Federal Government on financial and monetary issues;
- maintain the Federal Government's reserves of gold and foreign currencies;
- act as a bank for the Federal Government and other banks operating in the UAE; and
- act as the Federal Government's financial agent with the IMF, the World Bank and other international financial organisations.

The UAE Central Bank is also responsible for regulating anti-money laundering activities in the UAE. It has established a Financial Intelligence Unit and hosted teams from the Financial Action Task Force ("**FATF**") and the IMF which reviewed, discussed and tested existing UAE laws and regulations. This led the FATF to decide, in January 2002, that the UAE had put in place an adequate anti-money laundering system.

Although the UAE Central Bank is responsible for regulating all banks, exchange houses, investment companies and other financial institutions in the UAE, the Dubai Financial Services Authority regulates all banking and financial services activities in the Dubai International Financial Centre. Similarly, in the Abu Dhabi Global Market in Abu Dhabi ("**ADGM**"), the ADGM Financial Services Regulatory Authority regulates activity in the financial services sector.

Since 1999, regulated banks in the UAE have been required to report in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Characteristics of the Banking System

The UAE banks are predominantly focused on the domestic market. With much of the economy directly or indirectly dependent on the oil sector, the UAE banks are vulnerable during long periods of low oil prices. In particular, oil revenues tend to drive levels of liquidity. There is a high degree of state involvement in the UAE banking sector, with the five largest banks having some degree of ownership by the governments and/or ruling families of individual emirates.

Additionally, a number of banks have developed in the Islamic world, including in the UAE, to serve customers who wish to observe *Shari'a* principles, including the prohibition on the charging of interest on any financial transaction. These institutions offer a range of products, which broadly correspond to conventional banking transactions but are structured to ensure that all relevant *Shari'a* principles are complied with. The principal Sharjah based Islamic bank is SIB.

Structure of the Banking System

Banking institutions in the UAE fall into a number of categories, as defined by the 1980 Law. Domestic commercial banks, also known as local banks, of which there were 22 as at 31 December 2017, are required to be public shareholding companies with a minimum share capital of AED 40 million.

Licensed foreign commercial banks, of which there were 27 as at 31 December 2017, need to demonstrate that at least AED 40 million has been allocated as capital funds for their operations in the UAE. The 1980 Law also licenses financial institutions (institutions whose principal functions are to extend credit, carry out financial transactions, invest in moveable property and other activities but are not permitted to accept funds in the form of deposits), investment banks (institutions which may not accept deposits with maturities of less than two years but which may borrow from their head office or other banks and the financial markets) and financial and monetary intermediaries (money and stock brokers).

Recent Trends in Banking

Capital Adequacy

All banks are required to follow the principles of the Basel accord in calculating their capital adequacy ratios. Basel II was introduced effective 17 November 2009, by way of UAE Central Bank Circular Number 27/2009. Since 1993, the UAE Central Bank had imposed a 10 per cent. minimum total capital ratio on all UAE banks. In a circular dated 30 August 2009, the UAE Central Bank announced amendments to its capital adequacy requirements, such that UAE banks were required to have a total capital adequacy ratio of at least 11 per cent., with a Tier I ratio of not less than 7 per cent., by 30 September 2009. Furthermore, the UAE Central Bank required banks operating in the UAE to increase their Tier I capital adequacy ratio to at least 8 per cent., with a minimum total capital adequacy ratio of at least 12 per cent., by 30 June 2010. Thereafter, through its circular dated 17 November 2009 introducing Basel II, the UAE Central Bank stated that it was expected that the main banks in the UAE would move to the Foundation Internal Rating Based approach under Basel II in due course. Through this circular, the UAE Central Bank reiterated that all banks operating in the UAE were required to maintain a minimum capital adequacy ratio of 11 per cent. at all times, increasing to 12 per cent. by 30 June 2010 and also laid out its expectations in relation to Pillar II and Pillar III of the Basel II framework. Profits for the current period, goodwill, other intangibles, unrealised gains on investments and any shortfall in loan loss provisions are deducted from regulatory capital.

Whilst the calculation of capital adequacy ratios in the UAE follows the Bank of International Settlements guidelines, claims on or guaranteed by GCC central governments and central banks are risk-weighted at zero per cent. and claims on GCC government non-commercial public sector entities are risk-weighted at 50 per cent. Banks in the UAE are required to transfer 10 per cent. of profit each year into a statutory reserve until this reaches 50 per cent. of capital. Distributions cannot be made from this reserve, except in special legally defined circumstances. All dividends paid by UAE banks have to be authorised in advance by the UAE Central Bank.

The following table sets out the capital adequacy ratio of all UAE national banks as at 31 December in each of the years 2014 to 2018.

	2014	2015	2016	2017	2018
			(per cent.)		
Total capital adequacy ratio	18.2	18.3	18.9	18.6	18.2
Tier I capital adequacy ratio	16.2	16.6	17.3	17.0	16.9

Source: UAE Central Bank

The Basel Committee on Banking Supervision (the "**Basel Committee**") has put forward a number of fundamental reforms to the regulatory capital framework for internationally active banks. On 16 December 2010 and 13 January 2011, the Basel Committee issued the Basel III Reforms, constituting guidance on the eligibility criteria for Tier I and Tier II capital instruments as part of a package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions ("**Basel III**").

Basel III does not replace Basel II, rather, it implements a series of modifications to the existing regulatory structure.

Basel III increases the quantity and quality of the regulatory capital banks are required to hold. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit and market exposures arising from certain assets and transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity. The most significant features of the reforms introduced by Basel III are as follows:

Capital base

Between 2013 and 2019, the common equity component of capital (known as Core Tier I) will increase from 2 per cent. of a bank's risk-weighted assets before certain regulatory deductions to 4.5 per cent. after such deductions. In addition, a new capital conservation buffer will be introduced, as well as a zero to 2.5 per cent. counter-cyclical capital buffer. As a result, the overall capital requirement (Tier I and Tier II) increased from 8 per cent. at the Basel II baseline to 10.5 per cent. by 2019 with full Basel III implementation.

Common equity

Common equity will continue to form the basis of Tier I capital, but other hybrid capital instruments permitted under Basel II will be replaced with instruments that are more loss absorbing and do not have incentives to redeem. Non-qualifying instruments issued on or after 12 September 2010 will be derecognised in full from 1 January 2013; certain other instruments issued prior to 12 September 2010 which qualified as Tier I capital under Basel II but do not so qualify under Basel III, consisting of, among other instruments, perpetual non-cumulative preference shares, will be gradually derecognised at a rate of 10 per cent. per year from 2013 to 2023.

Capital charges

Increased capital charges will be introduced with respect to re-securitisation exposures and certain liquidity commitments held in the banking book will require more capital. With respect to a bank's trading books, more robust risk assessment methodologies will be utilised to value assets and increased counterparty and market risk charges will be assessed for exposure to other financial institutions and securitised assets.

Leverage ratio

A minimum 3 per cent. leverage ratio, measured against a bank's gross (and not risk-weighted) balance sheet, will be adopted on a trial basis until 2018 and definitively adopted in 2019.

Liquidity standards

A "liquidity coverage ratio" requiring high-quality liquid assets to equal or exceed certain cash outflows was adopted in 2015, thereby ensuring that a bank has sufficient high-quality liquid assets to survive a one-month period of market stress. In addition, a "net stable funding ratio" requiring "available" stable funding sources to equal or exceed "required" stable funding will be adopted from 2018, thereby ensuring that a bank has access to capital or high-quality funding to survive a one-year period of market stress.

The UAE Central Bank issued guidelines on the implementation of Basel III in July 2012 under the heading "Liquidity Regulations at Banks" (see "— *Liquidity*" for further details). Since then, the UAE Central Bank has been preparing local institutions for the implementation of the Basel III standards. In addition, on 23 February 2017, the UAE Central Bank published the "Regulations re Capital Adequacy" (the "**February 2017 Regulations**") in the Official Gazette issue 612, which are effective from 1 February 2017. The February 2017 Regulations are intended to ensure that the capital adequacy of all banks operating in the UAE is in line with the Basel III requirements. The February 2017 Regulations are supported by accompanying standards (the "**Accompanying Standards**") which were published by the UAE Central Bank on 17 January 2018 in its Circular No. 28/2018 entitled "Standard re Capital Supply" and are expressed to be effective from 31 December 2017. The Accompanying Standards elaborate on the supervisory expectations of the UAE Central Bank, as set out in the February 2017 Regulations, with respect to the relevant Basel III capital adequacy requirements and how they will be applied by the UAE Central Bank to banks in the UAE.

Liquidity

The UAE Central Bank closely monitors the level of liquidity in the banking system. It also requires that banks have in place adequate systems and controls to manage their liquidity positions, as well as contingency funding plans to cope with periods of liquidity stress.

Banks must also adhere to a maximum loan to deposit ratio of 100 per cent. set by the UAE Central Bank. In this context, loans comprise loans and advances to customers and interbank assets maturing after three months.

UAE banks are mostly funded through on demand or time-based customer deposits made by private individuals or private sector companies. According to data made available by the UAE Central Bank, together, these deposits constituted approximately 71.8 per cent. of total deposits of the UAE banking sector as at 31 December 2017. The Federal Government and the public sector constituted approximately 28.2 per cent. of total deposits within the UAE banking sector as at 31 December 2017. Non-resident and other sources contributed approximately 11.2 per cent. as at the same date (*source*: UAE Central Bank).

In response to the global 2008 financial crisis, the UAE Central Bank announced a number of measures aimed at ensuring that adequate liquidity is available to banks operating in the UAE. In September 2008, the UAE Central Bank established an AED 50 billion liquidity facility which banks can draw upon subject to posting eligible debt securities as collateral. The liquidity facility is available only for the purpose of funding existing commitments. New lending is required to be based on growth in the customer deposit base. The UAE Central Bank also established a certificates of deposit ("**CD**") repurchase facility under which banks can use CDs as collateral for Dirham or U.S. Dollar funding from the UAE Central Bank. Further, banks can access funds through the IMLF.

In addition to these measures, the Federal Government also provided AED 50.0 billion in deposits to UAE banks (as part of a larger AED 70.0 billion package) which, at the option of the banks, can be converted into Tier II capital in order to enhance capital adequacy ratios. A number of banks in the UAE exercised this option and converted the Federal Government deposits made with them into Tier II capital.

The UAE Central Bank is expected to tighten regulations on how banks in the UAE manage liquidity through the introduction of new qualitative, quantitative and reporting requirements on liquidity risk management. In line with Basel III requirements, the UAE Central Bank has issued UAE Central Bank Notice No. 33/2015 on liquidity requirements (which was issued by the UAE Central Bank on 27 May 2015 and which entered into force with effect from 1 July 2015, replacing Central Bank Notice No. 30/2012) (the "**Liquidity Notice**") which includes a set of qualitative and quantitative liquidity requirements for UAE banks. The qualitative requirements set out in the Liquidity Notice elaborate on the responsibilities of a UAE bank's board of directors and senior management as well as the overall liquidity risk framework. The new regulations are intended to ensure that liquidity risks are well managed at banks operating in the UAE and are in line with the Basel Committee's recommendations and international best practices.

The quantitative requirements set out in the Liquidity Notice are intended to ensure that each UAE bank holds a minimum level of liquid assets which allow it to sustain a short-term liquidity stress (in circumstances both specific to that bank and market wide). In particular, the requirements include two interim ratios which are intended to apply until the Basel III LCR and NSFR (each as defined in the table below) come into effect. These include the following:

	Ratio	**Applicability Period**
Interim ratios:	Liquid Asset Ratio (LAR > =10%)	1 January 2013 – 30 June 2015
	Eligible Liquid Assets Ratio (ELAR > = 10%)	1 July 2015 – December 2017
	Advances to Stable Resources Ratio (ASRR < 100%)	1 June 2013 – December 2017
Basel III ratios:	Liquidity Coverage Ratio (LCR > 100%)	January 2018 onwards
	Net Stable Funding Ratio (NSFR < 100%)	January 2018 onwards

The liquid asset ratio (the "**LAR**") was an interim ratio designed to apply until the LCR comes into effect (as described below). Following the entering into force of the Liquidity Notice on 1 July 2015, the LAR was replaced with the eligible liquid assets ratio (the "**ELAR**"). Under the ELAR, UAE banks are required to hold an amount equivalent to at least 10 per cent. of their liabilities in high-quality liquid assets (including cash held with the UAE Central Bank, the UAE Central Bank CDs and certain UAE local government and public sector entity publicly traded instruments).

The Liquidity Notice also includes the option for UAE banks to apply to the UAE Central Bank to move to assessment of bank liquidity as against the LCR, in addition to the ELAR, with effect from 1 January 2016. Any UAE banks taking up this option were required to comply only with the ELAR until 1 January 2016, after which date they are required to move to a dual-compliance regime as to liquidity as against the ELAR and the LCR (subject to receipt of UAE Central Bank approval).

The liquidity coverage ratio (the "**LCR**") represents a 30-day stress scenario with combined assumptions covering both bank-specific and market-wide stresses. These assumptions are applied to contractual data representing the main liquidity risk drivers at banks to determine cash outflows within the 30-day stress scenario. The LCR requires that UAE banks should always be able to cover the net cash outflow with high quality liquid assets at the minimum LCR determined by the UAE Central Bank. The Basel III accord requires that this minimum is 100 per cent. The Liquidity Notice describes in detail high quality liquid assets for this purpose.

The advances to stable resources ratio (the "**ASRR**") is an interim ratio that recognises both the actual uses as well as the likely uses of funds in terms of contractual maturity and behavioural profile of the sources of funds available to the bank, in order to ensure that there are limited maturity mismatches and cliff effects.

The net stable funding ratio (the "**NSFR**") is a structural ratio that aims to ensure that banks have adequate stable funding to fund the assets on their balance sheets. It also requires an amount of stable funding to cover a portion of the relevant UAE bank's contingent liabilities. The NSFR mirrors the Basel III NSFR standard. The NSFR identifies the key uses of funds and the different types of funding sources used by the UAE banks. It assigns available stable funding ("**ASF**") factors to the sources of funds and required stable funding ("**RSF**") (usage) factors to asset classes and off balance sheet contingent exposures. The assigned ASF factor depends on the terms of funding and the perceived stability of the funding sources. The assigned ASF factor will depend on the liquidity of the asset being funded under a market-wide stress. Both factors will follow the Basel III NSFR standard.

Provisions for Loan Losses

The UAE Central Bank stipulates that non-performing credits should be classified as either substandard, doubtful or loss, depending on the likelihood of recovery, with provisions charged at a minimum of 25 per cent., 50 per cent. and 100 per cent. on the relevant amount (net of any eligible credit protection), respectively. Any retail and consumer loans with either interest or principal in arrears by more than 90 days must be placed on a non-accrual basis and classified as non-performing. In addition, pursuant to Circular 28/2010 concerning regulations for classification of loans and their provisions issued by the UAE Central Bank on 11 November 2010, all banks in the UAE are required to make general provisions for unclassified loans and advances equal to 1.5 per cent. of their risk-weighted assets by 2014. In practice, several banks operate more stringent policies and place loans on a non-accrual basis as soon as their recovery is in doubt.

Banks in the UAE generally do not write off non-performing loans from their books until all legal avenues of recovery have been exhausted. This factor tends to inflate the level of impaired loans and/or financings carried on the balance sheets of UAE banks when compared to banks operating in other economies.

Large Exposures

The UAE Central Bank defines large exposures as any funded or unfunded exposures (less provisions, cash collaterals and deposits under lien) to a single borrower or group of related borrowers exceeding prescribed limits. The large exposure limits (defined as a percentage of the bank's capital base) were previously as follows:

- to a single borrower or group of borrowers – 7 per cent.;
- to a shareholder of the bank holding more than 5 per cent. of the bank's capital – 7 per cent.;

- overseas interbank exposures – 30 per cent. (UAE interbank exposures are subject to a 25 per cent. limit if their maturity is over one year, otherwise they are exempt from the regulations);
- to the bank's parent company, subsidiaries or affiliates – 20 per cent. (60 per cent. for all such exposures in aggregate); and
- to Board members – 5 per cent. (25 per cent. for all such exposures in aggregate).

On 11 November 2013, the UAE Central Bank published a notice amending certain of the large exposure limits set out above (the "**Large Exposure Notice**"). The Large Exposure Notice was published in the Official Gazette on 30 December 2013 and entered into force on 30 January 2014. The Large Exposure Notice introduced new limits of 100 per cent. of the bank's capital base for all lending to UAE local governments and their non-commercial entities, together with a 25 per cent. limit to any single such non-commercial entity. Exposures above these limits are subject to approval by the UAE Central Bank. Set out below is a table showing a summary of the changes introduced by the Large Exposure Notice (defined as a percentage of the bank's capital base calculated under Basel II):

	New Limit		Old Limit	
	Individual	**Aggregate**	**Individual**	**Aggregate**
Federal Government and its non-commercial entities..	Exempt	Exempt	Exempt	Exempt
UAE local government and its non-commercial entities	No cap for UAE local government; 25% for each non-commercial entity	100%	Exempt	Exempt`
Commercial entities of Federal Government and UAE local government.....	25%	100%	25%	None
Commercial or other (non-commercial) private sector entities and individuals	25% max	None	7%	None
Shareholders who own 5 per cent. or more of the bank's capital and related entities	20%	50%	7%	None
Exposure to bank's subsidiaries and affiliates	10%	25%	20%	60%
Board members	5%	25%	5%	25%

Mortgage Cap Regulation and Consumer Loan Regulation

The UAE Central Bank introduced regulations regarding bank loans and other services offered to individual customers by way of a circular dated 23 February 2011 the ("**Retail Circular**") on retail banking and notice no. 31/2013 dated 28 October 2013 (which was published in the UAE official gazette (the "**Official Gazette**") on 28 November 2013 and entered into force on 28 December 2013) (the "**Mortgage Regulations**"). These regulations, amongst other things, limit the fees and interest rates which banks in the UAE can charge to retail customers and impose maximum loan/income and loan to value ratios for retail products such as residential mortgage loans. For example, the Retail Circular requires that the amount of any personal consumer loan shall not exceed 20 times the salary or total income of the borrower with the repayment period not exceeding 48 months.

The Mortgage Regulations, which supersede UAE Central Bank notice no. 3871/2012 dated 30 December 2012, provide that the amount of mortgage loans for non-nationals should not exceed 75 per cent. of the property value for a first purchase of a home with a value of less than AED 5 million and, for a first purchase of a home with a value greater than AED 5 million, should not exceed 65 per cent. of the property value. For the purchase of a second or subsequent home, the limit for non-nationals is set at 60 per cent. of the property value (irrespective of the value of the property in question). The corresponding limits for UAE nationals are set at 80 per cent. in respect of a first purchase of a home with a value less than or equal to AED 5 million, 70 per cent. for a first home with a value greater than AED 5 million and 65 per cent. of the property value for a second or subsequent purchase (irrespective of the value of the property).

Reserve Requirements

Reserve requirements are used by the UAE Central Bank as a means of prudential supervision and to control credit expansion. The reserve requirements are 1 per cent. for term deposits and 14 per cent. for all other customer balances.

Position of Depositors

There is no formal deposit protection scheme in the UAE. While no bank has, so far, been permitted to fail, during the 1980s and early 1990s a number were restructured by the relevant government authorities. In October 2008, in response to the global financial crisis, the Federal Government announced that it intended to guarantee the deposits of all UAE banks and foreign banks with core operations in the UAE. Following therefrom, in May 2009 the UAE's National Federal Council approved a draft law guaranteeing federal deposits. However, until such time as the law is passed, there is no guaranteed government support.

Establishment of a Credit Bureau in the UAE

Al Etihad Credit Bureau ("**AECB**") is a Federal Government company specialised in providing UAE based credit reports and other financial information. AECB commenced operations in 2014 upon receiving formal approval from the Cabinet of its regulations and its charges for producing credit reports. AECB has approached all UAE based banks to sign data sharing agreements to enable the provision of customer credit information, with the majority having entered into such agreements and/or made successful initial data submissions to AECB by the time AECB commenced operations.

Federal Debt Management

In October 2018, UAE Federal Law No. 9 of 2018 Concerning Public Debt (Public Debt Law) was issued. The Public Debt Law permits the UAE Federal Government to issue sovereign debt through the sale of bonds or other debt instruments, which is intended to support the UAE Central Bank in liquidity management in the UAE banking system and is intended to help the UAE banking sector meet international liquidity rules. The Public Debt Law further established that the total amount of outstanding UAE federal public debt shall not, at any time, exceed the amount determined by the cabinet, at maximum of 250 per cent of the federal government's own stable revenue. In addition, the Public Debt Law is intended to enable banks operating in the UAE to purchase government bonds in AED or foreign currencies, which is intended to help them comply with Basel III requirements. The Public Debt Law also expressly permits the UAE Federal Government to provide guarantees on behalf of federal government authorities and corporations which are wholly owned by the UAE Federal Government.

The Public Debt Law establishes a federal Public Debt Management Office, which will have various support roles within the UAE Ministry of Finance, including the following:

- responsibility for proposing public debt management strategies and policies in coordination with the UAE Central Bank, implementing the strategies and policies approved by the Cabinet, and providing recommendations on issuance of public debt instruments;
- monitoring financial risks as well as other risks associated with issuing and trading any public debt instruments, and proposing solutions to manage and control these risks;
- advising the Minister of Finance on investments involving any public debt surplus, identifying risk levels on borrowing or issuing any guarantees for government projects as well as playing an important role in the development of policies and procedures created to manage and reduce risks in the public debt portfolio;
- working closely with the UAE Central Bank with regard to the management of the issuance and sale operations of government bonds, treasury bills, and any other public debt instruments;
- setting short and long-term objectives for the UAE's public debt management;
- issuing reports on the management and implementation of public debt; and
- coordinating with local governments in each emirate to support and develop a highly efficient primary and secondary financial market by issuing public debt instruments in the state, in which each local government shall establish a public debt office if local public debt instruments are issued.

Insurance

There is an absence of published statistical data on the insurance sector in the UAE and Sharjah. Insurance companies are regulated by the Insurance Division of the Federal Ministry of Economy.

Al-Buhaira National Insurance Company is a public shareholding company incorporated in the Emirate and is listed on the ADX. It undertakes several classes of insurance business, including life insurance, saving and accumulation of funds. In addition to its head office, Al-Buhaira National Insurance Company has two further branches located in Abu Dhabi and Dubai.

Shari'a compliance

The Federal Law No. 14 of 2018 (the "**HSA Law**") entered into force with effect from 23 September 2018 and requires financial institutions licensed by the UAE Central Bank to operate their business activities in compliance with the rules, standards and general principles established by the Higher Shari'a Authority and, in certain circumstances, requires such financial institutions to obtain the consent of the Higher Shari'a Authority before undertaking certain licensed financial activities.

Capital Markets

The capital markets in the UAE are regulated by a number of entities including the Emirates Securities and Commodities Authority (the "**SCA**"), which licenses intermediaries to trade on the DFM and ADX. The SCA is a Federal Government organisation but has financial, legal and administrative independence.

The other significant stock exchange in the UAE is Nasdaq Dubai (formerly known as the Dubai International Financial Exchange) which commenced operations in September 2005 and, as an entity based in the Dubai International Financial Centre, is separately regulated by the Dubai Financial Services Authority.

In May 2018, the SCA issued Chairman Decision No. 20/R.M. of 2018 on the Offering or Issuance of Islamic Securities (the ISRs), in order to add an additional layer of disclosure and transparency to the UAE's sukuk market and strengthen investor protection. The ISRs apply to (i) domestic issuers of Sharia-compliant securities seeking to offer those securities either within or outside the UAE, and (ii) foreign issuers of certain Sharia-compliant securities seeking to offer those securities into the UAE. The ISRs outline a number of key disclosure requirements that must be included in the offering document, a number of specific requirements in respect of the fatwa as well as the continuing obligations that apply to Sharia-compliant securities, including the provision of an annual Sharia report.

Dubai Financial Market

The DFM, which is now, along with Nasdaq Dubai, owned by Borse Dubai, was established by the Government of Dubai in 2000 as an independent entity and operates as a market for the listing and trading of shares, bonds and investment units issued by companies, investment funds and other local or foreign financial institutions that conform to its listing requirements.

The following table sets out the number of traded shares, the value of traded shares, and the number of executed transactions on the DFM and the closing price of the DFM Index as at 31 December for the years indicated:

	2015	2016	2017	2018
Number of traded shares (billions)	98.2	106.5	82.5	-
Value of traded shares (AED billions)	151.4	133.7	115.1	-
Number of trades (millions)	1.6	1.3	1.1	-
Market capitalisation (AED billions)	308.1	337.7	394	370.1
DFM Index year-end index closing price	3,151.00	3,530.88	3,370	2,529.8

Sources: Dubai Statistics Centre, DFM.

Nasdaq Dubai

Nasdaq Dubai (formerly known as the Dubai International Financial Exchange or DIFX) commenced operations in September 2005. On 22 December 2009, DFM announced that it had made an offer to Borse Dubai Limited and the NASDAQ OMX Group to acquire Nasdaq Dubai. The offer was valued at U.S.$121 million and comprised U.S.$102 million in cash and 40 million DFM shares. The merger was approved by Borse Dubai Limited and the OMX Group and was completed on 11 July 2010. Subsequent to the transaction, both Nasdaq Dubai and DFM are operating as two distinct markets that are subject to different regulatory frameworks. Nasdaq Dubai is regulated by the Dubai Financial Services Authority and the DFM is regulated by the SCA.

The DFM was upgraded to the MSCI Emerging Markets Index with effect from 1 June 2014, which has led to an increase in interest and investment from international institutional investors in Dubai.

Nasdaq Dubai's standards are comparable to those of leading international exchanges in New York, London and Hong Kong. Nasdaq Dubai allows regional and international issuers access to regional and international investors through primary or dual listings. Investors can access Nasdaq Dubai through a unique mix of regional and international brokers.

Nasdaq Dubai currently lists equities, equity derivatives, Dubai gold securities, structured products, sukuk and conventional bonds. Nasdaq Dubai listed 88 sukuk with a total nominal value of U.S.$10.25 billion listed during 2017, maintaining its position as one of the world's largest exchanges for sukuk,

Equity listings on Nasdaq Dubai include DP World Limited, which had the Middle East's largest IPO in 2007 at U.S.$5.0 billion, as well as Depa Limited and Orascom Construction Limited.

The following table sets out the number of traded shares, the value of traded shares and the number of executed transactions on Nasdaq Dubai, the market capitalisation of Nasdaq Dubai and the closing price as at 31 December of the FTSE Nasdaq Dubai UAE 20 Index (which tracks 20 liquid stocks listed on the DFM, the Abu Dhabi Securities Exchange and Nasdaq Dubai) in each of the years 2015 to 2018:

	2015	2016	2017	2018
Trading volume (millions)	218.6	138.2	273	164
Trading value (AED millions)	5,019.9	4,563.7	4,884	4,234
Number of transactions	30,637	22,913	29,518	29,057
Market capitalisation (AED millions)	67,568.5	58,118.1	82,822	63,666
FTSE Nasdaq Dubai UAE 20 year-end closing price	3,063.35	3,293.85	3,289	3,074

Sources: Dubai Statistics Centre, Nasdaq Dubai.

PUBLIC FINANCE

Government Finance

Government Budget and Financial Information

The Government sector in Sharjah is defined as consisting of entities known in Sharjah as centralised departments. The wider public sector in Sharjah consists of independent authorities which are wholly or majority publicly-owned (see "*Description of the Emirate of Sharjah — Relationship between the UAE Constitution and Sharjah — The Government* " above for further details).

The centralised departments of the Government negotiate their individual budgets with the Finance Department on an annual basis, with the final budgets being approved by H.H. The Ruler. The budget-setting arrangements for independent authorities vary from entity to entity, depending on their constitutional documents and established practice. All centralised department revenues flow to accounts managed by the Finance Department on behalf of the Government and are used to fund the Government's expenditure. The Finance Department controls the expenditure of centralised departments on a detailed, line-by-line basis, to ensure consistency with the budget.

Major project expenditure and a number of "non-departmental" items are also managed centrally by the Finance Department, rather than through departmental budgets.

Decentralised departments and independent authorities may, depending on their financial circumstances, receive financial support from the Government in the form of grants, free land allocations, the assumption of certain payment obligations or loans from the Government. Alternatively, if they are cash-generating, these entities may be required to make dividend-like payments to the Government.

Government Consolidated Accounts

The Government does not prepare consolidated annual or quarterly accounts as at the date of this Base Prospectus.

Public Finance Modernisation Programme

Between 2010 and 2016 the Finance Department implemented a public finance modernisation programme to modernise and professionalise the Government's financial management. Building on the foundations of its public finance modernisation programme, the Finance Department has developed strategic priorities for 2017-2018 and subsequently 2019-2021 which aim, among other things, to promote the Emirate's sustainable economic growth and financial stability.

Government Cash flow Analysis

The Government regularly prepares detailed cash flow statements in order to centrally control its liquidity and payment commitments. The table below sets out the detailed cash flow statements for the years indicated, excluding debt financing.

Each area of the Emirate of Sharjah has a Municipality authority, which is responsible for providing local services. There are nine Municipality authorities, of which Sharjah City Municipality is by far the largest,. These entities were in the past considered independent authorities and not consolidated into the Government budget. However, since 2016, the Municipalities have been treated as centralised departments, and have been consolidated. This change is reflected in the tables below.

	2015	2016	2017
		(AED millions)	
Cash Inflows			
Department of Customs	960	1,121	1,123
Economic Development Department	620	746	904
Sharjah Police	775	805	873
Town Planning Department	118	137	163
Directorate of Public Works	0	1	1
Roads and Transport Authority	394	447	329
Sharjah Municipality	0	1,265	1,428
Other Municipalities	0	58	73
Other departmental revenues	307	450	459
Oil, gas and LPG	255	153	356

	2015	2016	2017
		(AED millions)	
Land sales	118	450	1,229
Bank tax	83	92	68
Shares/Dividends	171	685	50
Transfer from GREs, and other revenues	417	977	1,567
Contributions from Federal Government	0	0	0
Total Cash Inflows	**4,218**	**7,387**	**8,622**
Cash Expenditure			
Departmental expenditure			
Police	(969)	(1,035)	(1,165)
Roads and Transport Authority	(331)	(290)	(249)
Social Services	(251)	(282)	(313)
Culture and Information	(161)	(147)	(171)
Media/TV	(273)	(293)	(353)
Customs	(183)	(204)	(219)
Sports Council	(217)	(392)	(404)
Town Planning	(135)	(137)	(159)
Al Diwan Al Amiri, Sharjah	(135)	(180)	(139)
Museums	(123)	(134)	(141)
Economic Development	(107)	(124)	(147)
Islamic Affairs and Awqaf	(102)	(118)	(124)
e-Government	(72)	(92)	(90)
Public Works	(59)	(65)	(74)
Police Sciences Academy	(76)	(81)	(88)
Sharjah Municipality	0	(1,010)	(1,043)
Other Municipalities	0	(445)	(558)
Other departmental expenditures	(926)	(1,034)	(1,428)
Total departmental expenditures	**(4,121)**	**(6,062)**	**(6,864)**
Central expenditure			
Contractor Payments	(1,946)	(2,164)	(2,247)
Debt Interest	(305)	(426)	(609)
Land Compensation	—	—	—
Support to SEWA & Other Entities	(194)	(371)	(1,510)*
Makrama and other central spending	(1,230)	(1,190)	
Total expenditures	**(7,796)**	**(10,213)**	**(11,231)**

Source: Finance Department

* *This figure relates to "Support to SEWA & Other Entities" and "Makrama and other central spending" as these line items have been merged from 2017 onwards.*

Total cash inflows increased from AED 4.2 billion in 2015 to AED 7.4 billion in 2016 before increasing to AED 8.6 billion in 2017. Cash inflows from oil, gas and LPG decreased from AED 255 million in 2015 to AED 153 million in 2016, and then increased to AED 356 million in 2017. Cash inflows from land sales tend to be volatile since they consist of a small number of large payments related to release of land by the Government for project development: these inflows increased from AED 118 million in 2015 to AED 450 million in 2016, and further increased to AED 1,229 million in 2017, with the largest component being receipts in respect of the land for the Al Jada project. Cash from bank taxes increased from AED 83 million in 2015 to AED 92 million in 2016, and then decreased to AED 68 million in 2017. Expenditure for culture and information decreased from AED 161 million in 2015 to 147 million in 2016 and then increased to AED 171 million in 2017. Finance costs (debt interest) increased from AED 305 million in 2015 to AED 426 million in 2016 and AED 609 million in 2017, as the Government incurred additional debt to fund capital expenditure (see "*Indebtedness*") and market borrowing costs in the GCC region increased on the back of lower global oil prices.

Government Revenue

Sharjah's government revenues totalled AED 8.6 billion for the year ended 31 December 2017, increasing by AED 1.2 billion from AED 7.4 billion for the year ended 31 December 2016, reflecting an increase of 16.22 per cent.

The Government has a relatively diverse revenue base. With the exception of a levy on foreign banks and hydrocarbon extraction, there is no traditional direct tax. This beneficial tax environment provides an incentive for businesses and wage-earners to locate to the Emirate.

Licensing, fines and fees provide the majority of revenues, in particular via the Department of Customs, the Economic Development Department and Sharjah Police.

Land sales to private companies and individuals generate significant capital receipts for the Government, as well as providing a means for the Government to manage the pace and location of economic expansion. In addition, this represents an area of particular fiscal flexibility for the Government, which can choose how much land to release for sale or development in a given year, based on market conditions, development priorities and fiscal requirements.

Aggregate oil, gas and LPG revenues are on a long term declining path notwithstanding year to year fluctuations and in 2017 represented just 4.3 per cent. of total receipts. As such, the Emirate does not display high levels of hydrocarbon fiscal dependency. Falling production levels since 2009 had been broadly offset in nominal terms by rising prices until the end of 2014.

The Government is implementing the recommendations of a project aimed at identifying sources of sustainable revenue in order to ensure medium-term fiscal sustainability and replacing reducing hydrocarbon revenues. The most significant change so far undertaken was an amendment in January 2015 to the structure of charges by SEWA. The Government expects that the sliding scale of rates chargeable under the new structure (which increase in proportion to usage) will increase revenues as well as incentivise lower energy and water consumption (thus reducing cost). Other changes have included higher real estate registration charges, the establishment of a commercial market for vehicle licence plates and the introduction of an AED 35 fee for all passengers departing from Sharjah International Airport.

Government Expenditure

The Government's expenditure totalled AED 11.2 billion in 2017, as compared to AED 10.2 billion in 2016, reflecting an increase of 9.8 per cent.

The majority of this expenditure is incurred by centralised departments, with wages and other staff costs being the largest element of such expenditure. Recent salary enhancements and high levels of recruitment have increased departmental spending since 2012.

Growth in departmental budgets has reflected the Government's policy priorities, with a particular focus on cultural activities (such as media/TV and culture and information) and social services.

Payments to contractors for major projects and other "non departmental" expenditure items are managed centrally by the Finance Department. Project expenditure has recently increased. Other discretionary expenditure, such as "makrama" (local and foreign aid), grants to private sector institutions and centrally managed policy initiatives, has also increased recently.

Overall Budget Position

The Government aims to achieve a broadly balanced current budget (i.e. excluding capital expenditure and receipts) over a period of time. Accordingly, it is prepared to borrow to finance capital investment.

Government of Sharjah overall budget 2015 - 2017

	2015	2016	2017
Expenditure	(7,796)	(10,213)	(11,231)
Revenue	4,218	7,387	8,622
Surplus/(deficit)	(3,578)	(2,826)	(2,609)

Government of Sharjah current budget 2015 - 2017

	2015	2016	2017
		(AED millions)	
Total surplus/(deficit)	(3,578)	(2,826)	(2,609)
Capital and project expenditure	(1,946)	(2,164)	(2,247)
Capital receipts	118	450	1,229
Current budget surplus/(deficit)	(1,750)	(1,112)	(1,591)

Government Assets and Investments

Government Assets – Cash and Fixed Assets

The Government does not generally hold significant amounts of cash and from time to time uses short-term working capital facilities to balance cash flow. The Government held AED 183 million cash and cash equivalents as at 31 December 2017 and AED 2,528 million as at 31 December 2018.

The Government holds a very large stock of fixed assets, although no comprehensive valuation is available. All unallocated land in the Emirate is *de facto* the property of the Government. The Government also owns land and buildings used for government activities and public services.

Government Investments

In addition to its ownership of decentralised departments and independent authorities, the Government has minority shareholdings in a number of private sector businesses. The table below shows the principal listed commercial enterprises in which the Government directly held a shareholding as at 31 December 2017, showing a total asset value of AED 33 billion. These are generally strategic investments which the Government intends to hold over the medium to long term because of their importance to the Emirate's development. The Government has also made a small number of investments ("**Alternative Investments**") into various regions and sectors purely on a commercial basis to generate an additional source of income. Such investments may take the form of equity or debt or equity debt hybrid instruments or even trade financing. As at 31 December 2017, Alternative Investments amounted to AED 69.2 million. No material change to this portfolio mix has occurred as at the date of this Base Prospectus, although the Government is in ongoing negotiations to obtain a majority shareholding in Invest Bank PJSC under a proposal to increase the bank's capital adequacy (see Financial and Insurance Activities).

The Government's holdings in listed companies through SAM and SSSF and the value thereof as at 31 December 2018 was as follows:

		Sharjah Asset Management Company		SSSF			
	Market Capitalisation	Shareholding	Value	Shareholding	Value	Combined Shareholding	Combined Value
	(AED Millions)	*(%)*	*(AED Millions)*	*(%)*	*(AED Millions)*	*(%)*	*(AED Millions)*
Company Name							
Air Arabia	4,760	18.56	883	-	-	18.56	883
Bank of Sharjah Limited	2,142	17.16	368	-	-	17.16	368
Sharjah Islamic Bank	3,375	28.46	961	9.09	307	37.55	1,267
Sharjah Cement and Industrial Development Company	566	14.78	84	9.09	51	23.87	136
Dana Gas	6,698	3.47	232	-	-	3.47	232
Total Market Value of Listed Shares	**17,541**	**-**	**2,528**		**358**		**2,886**

Source: Bloomberg

Relationship with the Federal Government

There are no fiscal flows between the Government and the Federal Government. Despite a lack of financial flows, the Emirate benefits significantly from a range of public services provided at the federal level including:

- Basic education for UAE nationals;
- Healthcare for UAE nationals;
- Defence and foreign policy initiatives;
- Some UAE-wide police and civil defence initiatives; and
- Postal services.

In addition, the Federal Government maintains a large public works programme, which covers, in particular, infrastructure and housing.

The Federal Government expenditure budget for 2017 was AED 48.7 billion, as part of a five-year cycle of expenditure estimated to reach AED 247.3 billion from 2017 to 2021.

INDEBTEDNESS

The Government has adopted a centralised debt policy, administered by the Debt Management Office (the "**DMO**"), which is a division of the Finance Department. The DMO directly manages the borrowing of the Government. For decentralised departments and independent authorities, the DMO plays a role in coordinating all borrowing activity, advising entities on how to structure transactions and approach the market, and supporting them in commercial negotiations and the completion of legal processes. Any borrowing from these entities must be approved in advance by the DMO.

Government Debt

The table below sets out the details of the Government's outstanding debt as at 31 December in each of the years indicated.

	2015	2016	2017	2018
Gross Debt (AED millions)	11,111	14,809	18,061	24,742
Gross Debt[(1)]/GDP (%)	13.0	16.7	19.5	-
Net Debt[(2)] (AED millions)	11,333	14,974	17,878	22,214
Net Debt[(2)]/GDP (%)	13.3	16.9	19.3	-

(1) GDP data for 2018 is unavailable as at the date of this Base Prospectus

(2) Net Debt is equivalent to Gross Debt minus holdings of cash and cash equivalents.

Of the Government's total outstanding indebtedness of AED 24,742 million as at 31 December 2018, 47 per cent. was denominated in U.S. Dollars and 53 per cent. was denominated in AED. 11 per cent. of the Government's debt comprised borrowings from Sharjah based banks, 29 per cent. of the Government's debt comprised borrowings from other UAE based banks, 19 per cent. of the Government's comprised borrowings from international banks, and 41 per cent. of the Government's debt comprised indebtedness due under the public debt issuances. The Government has undertaken three public sukuk issuances: U.S.$750,000,000 4.764 per cent. trust certificates issued in 2014 by Sharjah Sukuk Limited; U.S.$500,000,000 3.839 per cent. trust certificates issued in 2016 by Sharjah Sukuk (2) Limited; and U.S.$1,000,000,000 4.226 per cent. trust certificates issued in 2018 by Sharjah Sukuk Programme Limited under the Programme, which was subsequently increased to U.S.$1,200,000,000 through a tap of the issuance in 2018.

On 2 February 2018, the Government conducted an RMB 2,000,000,000 issuance under its onshore "panda bond" programme in the People's Republic of China. The proceeds of the issuance and ongoing coupon payment liabilities were swapped into AED.

The maturity profile of the indebtedness outstanding on 31 December 2018 is as set out in the table below.

	Year						
	2019	2020	2021	2022	2023	2024	After 2024
				(AED millions)			
Principal payments	3,495	3,441	5,574	1,614	2,162	3,223	5,228

The Government has no record of default on its indebtedness, current or past.

Wider Public Sector Debt

The table below sets out the details of the main outstanding debt of GREs as at 31 December 2017.

	Gross Debt Outstanding	Net Debt [(1)]
	(AED millions)	
SEWA	6,905.2	6,730.4
Sharjah Asset Management	951.8	888.2
Shurooq	915.0	910.3
Sharjah Airport Authority	180.0	55.3
SAIF-Zone	308.3	136.7
Hamriyah Free Zone Authority	218.0	(63.8)
Bee'ah	688.3	655.9
Others	696.0	(474.1)
Total	**10,862.6**	**8,838.8**

(1) Net Debt is equivalent to Gross Debt minus holdings of cash and cash equivalents.

Source: Finance Department

The Government does not provide blanket guarantees for the borrowing of any decentralised department or independent authority. However, the Government has guaranteed a number of individual transactions in order to help an entity to obtain the most favourable commercial terms. Requests for such guarantees are appraised by the DMO on a case by case basis, taking risk, pricing and strategic importance into consideration.

The borrowings underwritten by the Government, as at 31 December 2018 are AED 2,007 million for SEWA and AED 500 million for Shurooq. In addition, the Government has provided guarantees for bank debts to the private sector Al Jada real estate project totalling AED 1.6 billion as at 31 December 2018 (see "*The Economy of Sharjah—Principal Sectors of the Economy—Real Estate Activities*").

Total Public Sector Debt

The table below sets out the details of the public sector outstanding debt as at 31 December in each of the years indicated below.

	2015	2016	2017	2018
Public Sector Gross Debt (AED millions).....	21,506	25,205	28,434	35,604
Public Sector Gross Debt[(1)]/GDP (%).....	25.2	28.5	30.7	-
Public Sector Net Debt[(2)] (AED millions)	19,671	23,147	25,551	31,052
Public Sector Net Debt[(1)(2)]/GDP (%)	23.1	26.1	27.6	-

(1) GDP data for 2018 is unavailable as at the date of this Base Prospectus.

(2) Net Debt is equivalent to Gross Debt minus holdings of cash and cash equivalents.

Public sector net debt was AED 31.1 billion in 2018, AED 25.6 billion, or 27.6 per cent. of GDP in 2017 and AED 23.1 billion, or 26.1 per cent. of GDP, in 2016.

FORM OF THE TRUST CERTIFICATES

Words and expressions defined in the Conditions shall have the same meanings in this section, "*Form of the Trust Certificates*".

The Trust Certificates of each Tranche will be in registered form. Trust Certificates will be issued and sold outside the United States in reliance on the exemption from registration provided by Regulation S.

The Trust Certificates of each Series will initially be represented by beneficial interests in a global trust certificate in registered form (a "**Global Trust Certificate**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Series of Trust Certificates, beneficial interests in a Global Trust Certificate may not be offered or sold to, or for the account or benefit of, a U.S. person and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Global Trust Certificate will bear a legend regarding such restrictions on transfer.

Global Trust Certificates will be deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg and will be registered in the name of a nominee for the Common Depositary. Persons holding beneficial interests in Global Trust Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Trust Certificates in fully registered form.

Payments of any amount in respect of each Global Trust Certificate will, in the absence of provision to the contrary, be made to the person shown on the relevant Register as the registered holder of the relevant Global Trust Certificate. None of the Trustee, the Delegate or any Agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Trust Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payment of any amounts in respect of Trust Certificates will, in the absence of any provision to the contrary, be made to the persons shown on the relevant Register on the relevant Record Date immediately preceding the due date for payment in the manner provided in the Conditions.

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

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

Pursuant to the Agency Agreement, the Principal Paying Agent shall arrange that, where a further Tranche is issued (in accordance with "*Further Issues*", as set out in the Conditions) which is intended to form a single Series with an existing Tranche at a point after the Issue Date of the further Tranche, the Trust Certificates of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Trust Certificates of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series.

Interests in a Global Trust Certificate may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Trust Certificate. No beneficial owner of an interest in a Global Trust Certificate will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, to the extent applicable.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

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

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Trust Certificates, are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) [Directive 2014/65/EU (as amended, "**MiFID II**")]/[MiFID II]; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Trust Certificates or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Trust Certificates or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**Singapore SFA Product Classification**: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (as modified or amended from time to time, the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes [are] / [are not] "prescribed capital markets products" (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Final Terms

[Date]

Sharjah Sukuk Programme Limited

Issue of [Aggregate Face Amount of Tranche] [Title of Trust Certificates]

under the Trust Certificate Issuance Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Trust Certificates (the "**Conditions**") set forth in the base prospectus dated 20 March 2019 [and the supplement(s) thereto dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC, as amended or superseded (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Trust Certificates described herein [for the purposes of Article 5.4 of the Prospectus Directive][2] and must be read in conjunction with the Base Prospectus[3]. Full

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

[3] To be deleted where the Trust Certificates are neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive.

information on the Trustee, the Government and the offer of the Trust Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and these Final Terms][4] [is/are] available for viewing in accordance with Article 14 of the Prospectus Directive on the website of the Central Bank (http://www.centralbank.ie) and the website of Nasdaq Dubai (http://www.nasdaqdubai.com) and may be obtained during normal business hours from the specified office of the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions of the Trust Certificates (the "**Conditions**") set forth in the base prospectus dated 5 March 2018 which are incorporated by reference in the base prospectus dated 20 March 2019 [and the supplement(s) thereto dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC, as amended or superseded (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Trust Certificates described herein [for the purposes of Article 5.4 of the Prospectus Directive][5] and must be read in conjunction with the Base Prospectus[6]. Full information on the Trustee, the Government and the offer of the Trust Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and these Final Terms][7] [is/are] available for viewing in accordance with Article 14 of the Prospectus Directive on the website of the Central Bank (http://www.centralbank.ie) and the website of Nasdaq Dubai (http://www.nasdaqdubai.com) and may be obtained during normal business hours from the specified office of the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

1.	(a)	Trustee and Lessor:	Sharjah Sukuk Programme Limited
	(b)	Seller, Obligor, Lessee and Servicing Agent:	The Government of the Emirate of Sharjah acting through the Sharjah Finance Department (the "**Government**")
2.	(a)	Series Number:	[•]
	(b)	Tranche Number:	[•]/[Not Applicable]
	(c)	Date on which the Trust Certificates become fungible:	[The Trust Certificates will be consolidated and form a single Series with [*identify earlier Tranche(s)*] on [*insert date/the Issue Date*]][Not Applicable]
3.	Specified Currency:		[•]
4.	Aggregate Face Amount:		
	(a)	Series	[•]
	(b)	Tranche	[•]
5.	Issue Price:		[•] per cent. of the Aggregate Face Amount
6.	(a)	Specified Denominations:	[•]

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

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

[6] To be deleted where the Trust Certificates are neither admitted to trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Directive.

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

	(b)	Calculation Amount:	[•]
7.	(a)	Issue Date:	[•]
	(b)	Return Accumulation Commencement Date	[[•]/Issue Date]
8.		Scheduled Dissolution Date:	[•]
9.		Periodic Distribution Amount Basis:	[Fixed/Floating] Rate Trust Certificates (further particulars specified below in paragraph [14]/[15])
10.		Dissolution Basis:	The Trust Certificates will be redeemed at 100 per cent. of the Aggregate Face Amount
11.		Put/Call Rights:	[Not Applicable] [Optional Dissolution Call Right] [Certificateholder Put Right] [Clean Up Call Right]
12.		Status	The Trust Certificates are direct, unsecured, unsubordinated and limited recourse obligations of the Trustee
13.		Date of Trustee's approval and date of Government's approval for issuance of Trust Certificates:	[•] and [•], respectively

Provisions relating to profit payable (if any)

14.		Fixed Periodic Distribution Provisions:	[Applicable/Not Applicable]
	(a)	Rate[(s)]:	[•] per cent. per annum payable [annually/semi-annually/quarterly/monthly/[•]] [in arrear on each Periodic Distribution Date]
	(b)	Return Accumulation Period:	[[•]/[Not Applicable]]
	(c)	Periodic Distribution Date(s):	[[•] in each year up to and including the Scheduled Dissolution Date]
	(d)	Fixed Amount(s) for Trust Certificates in definitive form (and in relation to Trust Certificates in global form, see Condition 7):	[•] per Calculation Amount
	(e)	Broken Amount(s):	[[•] per Calculation Amount, payable on the Periodic Distribution Date falling [in/on] [•]/Not Applicable]
	(f)	Day Count Fraction:	[30/360/Actual/Actual (ICMA)/Actual/365 (Fixed)]
	(g)	Determination Date(s):	[[•] in each year/Not Applicable]
15.		Floating Periodic Distribution Provisions:	[Applicable/Not Applicable]
	(a)	Return Accumulation Period:	[[•]/[Not Applicable]]
	(b)	Specified Periodic Distribution Date(s):	[•] in each year up to and including the Scheduled Dissolution Date, commencing on [•][,[in each case] subject to adjustment in accordance with the

		Business Day Convention set out in (c) below/, not subject to adjustment]
(c)	Specified Period	[[•]/[Not Applicable]] (*Specified Period and Specified Periodic Distribution Dates are alternatives. A Specified Period, rather than Specified Periodic Distribution Dates, will only be relevant if the Business Day Convention is the Floating Rate Convention. Otherwise, insert* "*Not Applicable*")
(d)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
(e)	Additional Business Centre(s):	[[•]/Not Applicable]
(f)	Screen Rate Determination:	[Applicable/Not Applicable]
•	Reference Rate:	[•] month [LIBOR/EURIBOR/KIBOR/SHIBOR/HIBOR/KLIBOR/SIBOR/EIBOR/SAIBOR]
	• Periodic Distribution Determination Date:	[•] [TARGET2/[•]] Business Days [in [•]] prior to the [•] day in each Return Accumulation Period
	• Relevant Screen Page:	[•]
	• Relevant Time:	[•]
(g)	ISDA Determination	[Applicable/Not Applicable]
	• Floating Rate Option:	[•]
	• Designated Maturity:	[•]
	• Reset Date:	[First day of the Return Accumulation Period]/[•]
(h)	Linear Interpolation:	[Applicable/Not Applicable] [The Rate for the [long/short] [first/last] Return Accumulation Period shall be calculated using Linear Interpolation]
(i)	Margin(s):	[+/-][•] per cent. per annum
(j)	Maximum Rate:	[Not Applicable/[•] per cent. per annum]
(k)	Minimum Rate:	[Not Applicable/[•] per cent. per annum]
(l)	Day Count Fraction:	[Actual/Actual] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis]

			[30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual (ICMA)]
	(m)	Calculation Agent (party responsible for calculating the Rate(s) and/or Periodic Distribution Amount(s)):	[Principal Paying Agent/[•]]

Provisions relating to dissolution

16.	Optional Dissolution Call Right:		[Applicable/Not Applicable]
	(a)	Optional Dissolution Date(s):	[•]
	(b)	Optional Dissolution Amount (Call):	[[•]/As per Condition 11.3]
	(c)	Notice periods:	[[•]/As per Condition 11.3]
17.	Certificateholder Put Right:		[Applicable/Not Applicable]
	(a)	Optional Dissolution Amount (Put):	[[•]/As per Condition 11.5]
	(b)	Certificateholder Put Right Date(s):	[•]
	(c)	Notice period:	[[•]/As per Condition 11.5]
18.	Clean Up Call Right:		[Applicable/Not Applicable]
	(a)	Clean Up Call Dissolution Amount:	[[•]/As per Condition 11.6]
	(b)	Notice period:	[[•][8]/As per Condition 11.6]
19.	Dissolution Event Amount:		[•]
20.	Final Dissolution Amount:		[•]
21.	Other Dissolution Amount:		[[•]/Not Applicable]

General provisions applicable to the Trust Certificates

22.	Form of Trust Certificates:	Trust Certificates in registered form: Global Trust Certificate registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg and exchangeable for Trust Certificates in definitive registered form in the limited circumstances specified in the Global Trust Certificate. Reg S Compliance Category 2
23.	Additional Financial Centre(s):	[Not Applicable/[•]]

[8] Such notice being 30 days after the Certificateholder Put Right Date.

24.	Prohibition of Sales to EEA Retail Investors:		[Applicable/Not Applicable]

Provisions in respect of the Trust Assets

25.	Trust Assets:		Condition 5.1 applies
26.	Split of proceeds on the Issue Date:		
	(a)	Ijara Percentage:	[•]
	(b)	Murabaha Percentage:	[•]
27.	(a)	Details of Transaction Account (to be held in the United Kingdom):	[Sharjah Sukuk Programme Limited] Transaction Account No: [•] with [•] for Series No.: [•]
	(b)	Supplemental Declaration of Trust:	Supplemental Declaration of Trust dated [•] between the Trustee, the Government and the Delegate
	(c)	Supplemental Purchase Agreement:	Supplemental Purchase Agreement dated [•] between the Trustee and the Government
	(d)	Supplemental Lease Agreement	Supplemental Lease Agreement dated [•] between the Trustee, the Lessor, the Lessee and the Delegate
	(e)	[Purchase Order and Letter of Offer and Acceptance:	Purchase Order dated [•] from the Obligor (as "**Buyer**") to the Trustee (as "**Seller**") and Letter of Offer and Acceptance dated [•] from the Seller to the Buyer.]
	(f)	Declaration of Commingling of Assets:	[Declaration of Commingling of Assets dated [•] executed by the Trustee][Not Applicable]

Signed on behalf of **SHARJAH SUKUK PROGRAMME LIMITED**	Signed on behalf of **THE GOVERNMENT OF THE EMIRATE OF SHARJAH ACTING THROUGH THE SHARJAH FINANCE DEPARTMENT**
By.....	By:.....
Duly authorised	*Duly authorised*

PART B – OTHER INFORMATION

1. **Listing and Admission to Trading**

(a)	Listing and Admission to trading:	[Application has been made by the Trustee (or on its behalf) to Euronext Dublin for the Trust Certificates to be listed on its Official List and admitted to trading on its regulated market with effect from [•].] [Application has been made by the Trustee (or on its behalf) for the Trust Certificates to be listed on the Official List of the DFSA and admitted to trading on NASDAQ Dubai]. [Not Applicable.]
(b)	Estimate of total expenses related to admission to trading:	[•]

2. **Ratings**

Ratings:	The Trust Certificates to be issued [have been/are expected to be/will not be] rated. [Fitch: [•]] [S&P: [•]] [Moody's: [•]] [[•]: [•]] [[•] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.] [[•] is established in the European Union and is registered under Regulation (EC) No 1060/2009.] [[•] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [•], which is established in the European Union, disclosed the intention to endorse credit ratings of [•].] [[•] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [•] in accordance with Regulation (EC) No. 1060/2009. [•] is established in the European Union and registered under Regulation (EC) No. 1060/2009.] [[•] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

3. **Interests of Natural and Legal Persons involved in the Issue**

[Save for any fees payable to the [Managers/Dealer], so far as each of the Trustee and the Government is aware, no person involved in the issue of the Trust Certificates has an interest material to the offer. The [Managers/Dealer] and [its/their] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Government and/or the Trustee (and each of their affiliates) in the ordinary course of business for which they may receive fees.]

4. **Yield**: [•] per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. **Operational Information**

(a)	ISIN:	[•]
(b)	Common Code:	[•]
(c)	[FISN:	[•]]
(d)	[CFI Code:	[•]]
(e)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, SA and the relevant identification number(s):	[Not Applicable/give name(s), address(es) and number(s)]
(f)	Delivery	Delivery [against/free of] payment
(g)	Names and addresses of additional Paying Agent(s) (if any):	[•]
(h)	Stabilising Manager(s):	[•]

TERMS AND CONDITIONS OF THE TRUST CERTIFICATES

The following is the text of the Terms and Conditions of the Trust Certificates, which (save for the text in italics and subject to completion in accordance with the provisions of Part A of the relevant Final Terms) will be endorsed on each Trust Certificate in definitive registered form issued under the Programme and will apply to each Global Trust Certificate.

Sharjah Sukuk Programme Limited (in its capacity as issuer of the Trust Certificates (as defined below) and as trustee for the Certificateholders (as defined below), the "**Trustee**"), has established a programme (the "**Programme**") for the issuance of trust certificates (the "**Trust Certificates**").

As used herein, "**Tranche**" means Trust Certificates which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Trust Certificates together with any further Tranche or Tranches of Trust Certificates which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of Periodic Distribution Amounts (as defined herein) thereon and the date from which Periodic Distribution Amounts start to accrue.

The final terms for this Trust Certificate (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Trust Certificate which complete these Terms and Conditions (these "**Conditions**"). References to the "applicable Final Terms" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Trust Certificate (save where otherwise expressed herein).

Each of the Trust Certificates will represent an undivided ownership interest in the Trust Assets (as defined below) which are held by the Trustee on trust (the "**Trust**") for, *inter alia*, the benefit of the holders of the Trust Certificates pursuant to: (i) an amended and restated Master Declaration of Trust (the "**Master Declaration of Trust**") dated 20 March 2019 and made between the Trustee, the Government of the Emirate of Sharjah acting through the Sharjah Finance Department (the "**Government**") and Deutsche Trustee Company Limited (the "**Delegate**"); and (ii) a supplemental declaration of trust (the "**Supplemental Declaration of Trust**" and, together with the Master Declaration of Trust, the "**Declaration of Trust**") having the details set out in the applicable Final Terms.

In these Conditions, references to "**Trust Certificates**" shall be references to the Trust Certificates of the Series which are the subject of the applicable Final Terms only, not to all Trust Certificates that may be issued under the Programme (whether in global form as a Global Trust Certificate or in definitive form as definitive Trust Certificates), which are the subject of the applicable Final Terms.

Payments relating to the Trust Certificates will be made pursuant to an amended and restated agency agreement dated 20 March 2019 (the "**Agency Agreement**") made between the Trustee, the Delegate, the Government and Deutsche Bank AG, London Branch in its capacity as principal paying agent (in such capacity, the "**Principal Paying Agent**", which expression shall include any successor), the other paying agents named therein (in such capacity, the "**Paying Agents**"), the transfer agent (in such capacity, and together with Deutsche Bank Luxembourg S.A., in its capacity as transfer agent, the "**Transfer Agents**", which expression shall include any successor) and calculation agent (in such capacity, the "**Calculation Agent**", which expression shall include any successor) and Deutsche Bank Luxembourg, S.A. in its capacity as registrar (in such capacity, the "**Registrar**", which expression shall include any successor). The Principal Paying Agent, the Calculation Agent, the Paying Agents, the Transfer Agents and the Registrar are together referred to in these Conditions as the "**Agents**".

The holders of the Trust Certificates (the "**Certificateholders**") are bound by, and are deemed to have notice of, all of the provisions applicable to them in the documents set out below, copies of which are available for inspection during normal business hours at the specified office for the time being of the Principal Paying Agent:

(a) an amended and restated master purchase agreement between the Trustee (in its capacity as purchaser) and the Government (in its capacity as seller) dated 20 March 2019 (the "**Master Purchase Agreement**");

(b) the supplemental purchase agreement (the "**Supplemental Purchase Agreement**" and, together with the Master Purchase Agreement, the "**Purchase Agreement**") having the details set out in the applicable Final Terms;

(c) an amended and restated master lease agreement between the Trustee (in such capacity as lessor), the Government (in its capacity as lessee) and the Delegate dated 20 March 2019 (the "**Master Lease Agreement**");

(d) the supplemental lease agreement (the "**Supplemental Lease Agreement**" and, together with the Master Lease Agreement, the "**Lease Agreement**") having the details set out in the applicable Final Terms;

(e) an amended and restated purchase undertaking entered into by the Government (in its capacity as obligor) as a deed dated 20 March 2019 (the "**Purchase Undertaking**"), containing the form of sale agreement (the "**Sale Agreement**") to be executed by the Government (in its capacity as purchaser) and the Trustee (in its capacity as seller) on the Scheduled Dissolution Date, the Dissolution Event Redemption Date or the Certificateholder Put Right Date, as the case may be (each such expression having the meaning given to it in the Purchase Undertaking);

(f) an amended and restated sale and substitution undertaking entered into by the Trustee as a deed dated 20 March 2019 (the "**Sale and Substitution Undertaking**") containing the form of sale agreement (the "**Sale Agreement**") to be executed by the Trustee (in its capacity as seller) and the Government (in its capacity as purchaser) on the Tax Dissolution Date, the Clean Up Call Right Dissolution Date, the Optional Dissolution Date, the Cancellation Date or the Substitution Date, as the case may be (each such expression having the meaning given to it in the Sale and Substitution Undertaking);

(g) an amended and restated servicing agency agreement between the Trustee (in its capacity as lessor) and the Government (in its capacity as servicing agent, the "**Servicing Agent**") dated 20 March 2019 (the "**Servicing Agency Agreement**");

(h) an amended and restated master murabaha agreement between the Trustee (in such capacity as seller) and the Government (in such capacity as buyer) dated 20 March 2019 (the "**Master Murabaha Agreement**"), together with the purchase order, the letter of offer and acceptance and all other offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Series;

(i) a declaration of comingling of assets entered into by the Trustee as a deed pursuant to the Declaration of Trust;

(j) the Declaration of Trust;

(k) the Agency Agreement; and

(l) the applicable Final Terms,

(a) to (k) together being the "**Transaction Documents**".

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Declaration of Trust and the Agency Agreement.

Each initial Certificateholder, by its acquisition and holding of its interest in a Trust Certificate, shall be deemed to authorise and direct the Trustee to enter into each Transaction Document to which it is a party, subject to the terms and conditions of the Declaration of Trust and these Conditions and to apply the sums paid by it in respect of its Trust Certificates in accordance with the terms of the Transaction Documents.

1. Interpretation

1.1 *Definitions*

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

"**Accrual Period**" has the meaning given in Condition 7.3 or 8.7, as applicable;

"**Agency**" means any political sub-division, regional or municipal government, ministry, department, authority or statutory corporation of the Government (whether or not autonomous) and any corporation or other entity which is directly or indirectly controlled or (as to 50 per cent. or more of its issued share capital or the equivalent thereof) owned by the Government;

"**Aggregation Agent**" shall have the meaning given to it in Condition 20(a);

"**Applicable Maturity**" has the meaning given in Condition 8.5;

"**Business Day**" has the meaning given in Condition 8.2;

"**Calculation Agent**" means the Principal Paying Agent or such other Person specified in the applicable Final Terms as the party responsible for calculating the Periodic Distribution Amount and/or such other amount(s) as may be specified in the applicable Final Terms in accordance with Condition 8;

"**Cancellation Date**" means the date on which Trust Certificates are to be cancelled as specified in the Cancellation Notice;

"**Cancellation Notice**" means a notice substantially in the form set out in Schedule 2 to the Sale and Substitution Undertaking;

"**Cancelled Lease Asset(s)**" means the assets to be sold by the Trustee (in its capacity as seller) to the Government (in its capacity as purchaser) in accordance with the Sale and Substitution Undertaking following the delivery of, and as specified in, an applicable Cancellation Notice;

"**Certificateholder Put Right**" means the right exercisable by the Trustee at the request of Certificateholder pursuant to Condition 11.5;

"**Certificateholder Put Right Date**" means the date on which the relevant Trust Certificates are to be redeemed in accordance with Condition 11.5, as specified in the relevant Exercise Notice, **provided that** such date is a Periodic Distribution Date, unless otherwise specified in the applicable Final Terms;

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

"**Clean Up Call Dissolution Amount**" has the meaning given to it in Condition 11.6;

"**Clean Up Call Right**" means the right exercisable by the Trustee at the request of the Government pursuant to Condition 11.6;

"**Clean Up Call Right Dissolution Date**" has the meaning given to it in Condition 11.6;

"**Clearstream, Luxembourg**" means Clearstream Banking, SA;

"**Day Count Fraction**" has the meaning given in 8.7;

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

"**Determination Period**" has the meaning given in Condition 7.3;

"**Dispute**" has the meaning given in Condition 26.2;

"**Dissolution Amount**" means, as appropriate, the Final Dissolution Amount, the Dissolution Event Amount, the Tax Dissolution Amount, the Optional Dissolution Amount (Call), the Optional Dissolution Amount (Put), the Clean Up Call Dissolution Amount, which shall, unless otherwise specified in the applicable Final Terms, in each case, be equal to the sum of:

(a) the outstanding face amount of the relevant Trust Certificates; and

(b) any due and unpaid Periodic Distribution Amounts of such Trust Certificates; or

(c) such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms (including any amount payable following a Total Loss Event);

"**Dissolution Date**" means, as the case may be, (a) the Scheduled Dissolution Date, (b) the Tax Dissolution Date, (c) the Dissolution Event Redemption Date, (d) the Optional Dissolution Date, (e) the Total Loss Dissolution Date, (f) the Certificateholder Put Right Date, (g) the Clean Up Call Right Dissolution Date;

"**Dissolution Event**" has the meaning given to it in Condition 15;

"**Dissolution Event Amount**" has the meaning given to it in Condition 11.7;

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

"**Dissolution Notice**" has the meaning given to it in Condition 15;

"**Euroclear**" means Euroclear Bank SA/NV;

"**Exercise Notice**" means a notice substantially in the form set out in Schedule 1 to the Sale and Substitution Undertaking or the Purchase Undertaking, as applicable;

"**Exercise Price**" has the meaning given to it in the Sale and Substitution Undertaking or the Purchase Undertaking, as applicable;

"**Extraordinary Resolution**" has the meaning given in Condition 19(a)(vii);

"**Final Dissolution Amount**" shall have the meaning given to it in Condition 11.1;

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount drawn on any acceptance credit facility;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, trust certificates, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would be treated as a finance or capital lease in accordance with the accounting standards, policies and procedures published from time to time by the International Accounting Standards Committee or any successor;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any Shari'a-compliant financing, forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of either a borrowing or a drawing under a credit facility;

(g) to the extent not otherwise included in this definition, the amount of any liability in respect of any repurchase or put option arrangement entered into in connection with any securitisation transaction;

(h) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) (inclusive) above;

"**Full Reinstatement Value**" means, in relation to each Series, an amount equal to the aggregate of:

(a) the aggregate face amount of the Trust Certificates then outstanding less, if any, the aggregate amounts of Deferred Sale Price then outstanding plus all accrued but unpaid Periodic Distribution Amounts relating to such Trust Certificates;

(b) an amount equal to the Periodic Distribution Amounts relating to such Trust Certificates which would have accrued (had a Total Loss Event not occurred) during the period beginning on the date on which the Total Loss Event occurs and ending on but excluding the earlier of: (i) the date on which the Trust Certificates are redeemed in full in accordance with Condition 11.4; and (ii) the Total Loss Dissolution Date; and

(c) an amount equal to any outstanding Service Charge Amounts in respect of which an appropriate Supplementary Rental (as defined in the relevant Supplemental Lease Agreement) payment has not been made in accordance with the Master Lease Agreement and the relevant Supplemental Lease Agreement;

"**Global Trust Certificate**" means the Trust Certificates of each Series offered and sold in reliance on Regulation S, which will be sold to Persons who are not U.S. persons (as defined in Regulation S) outside the United States, in registered form;

"**Government Event**" has the meaning given to it in Condition 15;

"**Ijara Percentage**" means the percentage specified hereon which, except when Trust Certificates are issued pursuant to Condition 24, shall be no less than 55 per cent.;

"**Insurances**" means the insurances in respect of the Lease Asset(s), as provided for in the Servicing Agency Agreement;

"**ISDA Definitions**" has the meaning given in Condition8.3;

"**ISDA Rate**" has the meaning given in Condition 8.3;

"**Lease Asset(s)**" has the meaning given to it in the Lease Agreement;

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

"**Members**" has the meaning given to it in Condition 21(d);

"**Multiple Series Single Limb Extraordinary Resolution**" has the meaning given in Condition 19(c)(ii);

"**Multiple Series Single Limb Written Resolution**" has the meaning given in Condition 19(c)(iii);

"**Multiple Series Two Limb Extraordinary Resolution**" has the meaning given in Condition 19(c)(ii);

"**Multiple Series Two Limb Written Resolution**" has the meaning given in Condition 19(c)(iii);

"**Murabaha Percentage**" means the percentage specified hereon which, except when Trust Certificates are issued pursuant to Condition 24, shall be no more than 45 per cent.;

"**nominee**" shall have the meaning given to it in Condition 2.1;

"**Optional Dissolution Amount (Call)**" has the meaning given to it in Condition 11.3;

"**Optional Dissolution Amount (Put)**" has the meaning given to it in Condition 11.5;

"**Optional Dissolution Call Right**" means the right exercisable by the Trustee at the request of the Government pursuant to Condition 11.3;

"**Optional Dissolution Date**" means the date on which Trust Certificates are to be redeemed in accordance with Condition 11.3, as specified in the relevant Exercise Notice;

"**Payment Business Day**" means:

(a) a day on which banks in the relevant place of surrender (as required) of the definitive Trust Certificate are open for payment of registered securities and for dealings in foreign currencies; and

(b) in the case of payment by transfer to an account:

(i) if the currency of payment is euro, a TARGET2 Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Periodic Distribution Amount**" means, in relation to a Trust Certificate and a Return Accumulation Period, the amount of profit payable in respect of that Trust Certificate for that Return Accumulation Period which amount may be a Fixed Amount, a Broken Amount or an amount otherwise calculated in accordance with Condition 7 or 8 (as the case may be);

"**Periodic Distribution Date**" has the meaning given in Condition 8.2;

"**Person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government or agency, or political subdivision thereof, or other entity;

"**Potential Dissolution Event**" means any event which, with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute a Dissolution Event;

"**Rate**" means the rate or rates specified in the applicable Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the applicable Final Terms;

"**Record Date**" (a) means: (i) in respect of a Global Trust Certificate, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant Periodic Distribution Date or the relevant Dissolution Date, as the case may be; and (ii) in respect of Trust Certificates in definitive form, the date falling on the seventh day before the relevant Periodic Distribution Date or the Dissolution Date, as the case may be, and (b) in the case of meetings of Certificateholders (as provided in Condition 19), has the meaning given to it in Condition 19(a)(vi);

"**Reference Banks**" means the principal London office of four major banks engaged in the London or Eurozone inter-bank market (as the case may be) selected by the Calculation Agent or as specified hereon;

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

(a) LIBOR;

(b) EURIBOR;

(c) KIBOR;

(d) SHIBOR;

(e) HIBOR;

(f) KLIBOR;

(g) SIBOR;

(h) EIBOR; and

(i) SAIBOR;

"**Register**" has the meaning given in Condition 2.2;

"**Regulation S**" means Regulation S under the Securities Act;

"**Relevant Date**" means, in relation to any payment, the date on which the payment in question first becomes due or if the full amount payable has not been received in the principal financial centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which the full amount has been so received or (if earlier) the date seven days after that on which notice is duly given to Certificateholders in accordance with Condition 18 that, upon further presentation or surrender, as applicable, of the Trust Certificate being made in accordance with these Conditions, such payment will be made, **provided that** payment is in fact made upon such presentation or surrender, as applicable;

"**Relevant Indebtedness**" means, in relation to any Person, any indebtedness of such Person which is in the form of or represented by any bond (including *Shari'a*-compliant certificates), note, loan stock, debenture or similar instrument which is, or is intended to be, or is capable of being, listed, traded or dealt in on any stock exchange or over the counter market;

"**Relevant Jurisdiction**" means the Cayman Islands, the Emirate of Sharjah, the UAE or any political subdivision or authority thereof or therein having the power to tax;

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

"**Relevant Sukuk Obligation**" means any undertaking or other obligation to pay any money given in connection with the issue of trust certificates whether or not in return for consideration of any kind where the trust certificates concerned are, or are intended to be, or are capable of being, listed, traded or dealt in on any stock exchange or over the counter market;

"**Rentals**" has the meaning given to it in the relevant Supplemental Lease Agreement;

"**Reserved Matter**" has the meaning given in Condition 19(e);

"**Return Accumulation Commencement Date**" means the Issue Date or such other date as specified in the applicable Final Terms;

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

"**Rules**" has the meaning given in Condition 26.2;

"**Scheduled Dissolution Date**" means the date on which Trust Certificates are to be redeemed in accordance with Condition 11.1;

"**Securities Act**" means the United States Securities Act of 1933;

"**Securities Capable of Aggregation**" has the meaning given in Condition 19(a)(x);

"**Security Interest**" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind;

"**Service Charge Amounts**" means the amount of any claims, losses, costs and expenses properly incurred or suffered by the Servicing Agent or other payments made by the Servicing Agent on

behalf of the Trustee (in its capacity as lessor), in each case in providing the services to be undertaken by it under the Servicing Agency Agreement;

"**Single Series Extraordinary Resolution**" has the meaning given in Condition 19(b)(ii);

"**Single Series Written Resolution**" has the meaning given in Condition 19(b)(iii);

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

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

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

"**Taxes**" means any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction;

"**Tax Dissolution Amount**" has the meaning given to it in Condition 11.2;

"**Tax Dissolution Date**" has the meaning given to it in Condition 11.2;

"**Tax Event**" has the meaning given to it in Condition 11.2;

"**Total Loss Dissolution Date**" has the meaning given to it in Condition 11.4;

"**Total Loss Event**" has the meaning given to it in Condition 11.4;

"**Total Loss Shortfall Amount**" has the meaning given to it in Condition 11.4;

"**Transaction Account**" means the account in the Trustee's name, details of which are specified in the applicable Final Terms and which shall be held in the United Kingdom;

"**Trust Assets**" means the assets, rights and/or cash described in Condition 5.1;

"**Uniformly Applicable**" has the meaning given in Condition 19(c)(v) and

"**Written Resolution**" has the meaning given in Condition 19(a)(viii).

1.2 ***Interpretation***

In these Conditions:

(a) any reference to face amount shall be deemed to include any Dissolution Amount and any other amount in the nature of face amounts payable pursuant to these Conditions;

(b) any reference to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Conditions 11 and 13 and any other amount in the nature of a profit distribution payable pursuant to these Conditions;

(c) references to Trust Certificates being "outstanding" shall be construed in accordance with the Master Declaration of Trust; and

(d) any reference to a Transaction Document shall be construed as a reference to that Transaction Document as amended and/or supplemented up to and including the Issue Date.

2. **Form, Denomination and Title**

2.1 ***Form and Denomination***

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

Upon issue, the Trust Certificates will be represented by a Global Trust Certificate which will be registered in the name of nominees for Euroclear and Clearstream, Luxembourg..

For so long as any of the Trust Certificates are represented by a Global Trust Certificate held on behalf of Euroclear and Clearstream, Luxembourg, each Person (other than Euroclear and Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear and Clearstream, Luxembourg as the holder of a particular face amount of such Trust Certificates (in which regard any certificate or other document issued by Euroclear and Clearstream, Luxembourg as to the face amount of such Trust Certificates standing to the account of any Person shall be conclusive and binding for all purposes save in the case of manifest error or proven error) shall be treated by the Trustee, the Delegate, the Government and the Agents as the holder of such face amount of such Trust Certificates for all purposes other than with respect to payment in respect of such Trust Certificates, for which purpose the registered holder (the "**nominee**") of the Global Trust Certificate shall be treated by the Trustee, the Delegate, the Government and any Agent as the holder of such face amount of such Trust Certificates in accordance with and subject to the terms of the relevant Global Trust Certificate, and the expressions "**Certificateholder**" and "**holder**" in relation to any Trust Certificates and related expressions shall be construed accordingly. Each Certificateholder must look solely to Euroclear and Clearstream, Luxembourg for its share of each payment made to the nominee.

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

References to Euroclear and Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2.2 ***Register***

The Registrar will maintain a register (the "**Register**") of Certificateholders in respect of the Trust Certificates in accordance with the provisions of the Agency Agreement. In the case of Trust Certificates in definitive form, a definitive Trust Certificate will be issued to each Certificateholder in respect of its registered holding of Trust Certificates.

2.3 ***Title***

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

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

3. **Transfers of Trust Certificates**

3.1 ***Transfers of beneficial interests in the Global Trust Certificate***

Transfers of beneficial interests in the Global Trust Certificate will be effected by Euroclear and Clearstream, Luxembourg, and, in turn, by other participants and, if appropriate, indirect

participants in such clearing systems acting on behalf of transferors and transferees of such interests. An interest in the Global Trust Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Trust Certificates in definitive form only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being of Euroclear and Clearstream, Luxembourg and in accordance with the terms and conditions specified in the Declaration of Trust and the Agency Agreement.

3.2 ***Transfers of Trust Certificates in Definitive Form***

(a) *Transfer*

Subject to this Condition 3.2 and Conditions 3.3 and 3.4, a definitive Trust Certificate may be transferred in whole or in an amount equal to the Specified Denomination or any integral multiple thereof by depositing the definitive Trust Certificate, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar.

(b) *Delivery of new definitive Trust Certificates*

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

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

(c) *Regulations*

All transfers of definitive Trust Certificates and entries on the Register will be made subject to the detailed regulations concerning the transfer of Trust Certificates scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Certificateholder who requests one. Notwithstanding the above, the Trustee may from time to time agree with the Registrar reasonable regulations to govern the transfer and registration of definitive Trust Certificates.

3.3 ***Closed periods***

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

3.4 ***Formalities free of charge***

Transfers of Trust Certificates on registration or exercise of an early dissolution right will be effected without charge by or on behalf of the Trustee, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Trustee, the Registrar and/or the Transfer Agents may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

3.5 ***Regulations***

All transfers of definitive Trust Certificates and entries on the Register will be made subject to the detailed regulations concerning the transfer of Trust Certificates scheduled to the Master Declaration of Trust. A copy of the current regulations will be mailed (free of charge) by the

Registrar to any Certificateholder who requests one. Notwithstanding the above, the Trustee may from time to time agree with the Registrar reasonable regulations to govern the transfer and registration of definitive Trust Certificates.

4. Status and Limited Recourse

4.1 *Status*

Each Trust Certificate evidences an undivided ownership interest in the Trust Assets subject to the terms of the Declaration of Trust and these Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Trust Certificate ranks *pari passu*, without any preference or priority, with the other Trust Certificates.

4.2 *Negative Pledge*

The Government has agreed in the Purchase Undertaking that for so long as any Trust Certificate remains outstanding, it will not create or permit to subsist any Security Interest upon the whole or any part of its present or future assets or revenues to secure any Relevant Indebtedness or Relevant Sukuk Obligation, or any guarantee or indemnity in respect of Relevant Indebtedness or a Relevant Sukuk Obligation, of any Person, without:

(a) at the same time or prior thereto securing equally and rateably therewith its obligations under the Transaction Documents to which it is, in whatever capacity, a party; or

(b) providing such other Security Interest for the obligations of the Government under the Transaction Documents as may be approved by an Extraordinary Resolution of the Certificateholders.

4.3 *Limited Recourse*

The proceeds of the Trust Assets are the sole source of payments on the Trust Certificates. Save as provided in the next sentence, the Trust Certificates do not represent an interest in or obligation of any of the Trustee, the Government, the Delegate, the Agents or any of their respective affiliates. Accordingly, Certificateholders, by subscribing for or acquiring the Trust Certificates, acknowledge that:

(a) they will not have recourse to any assets of the Trustee, the Delegate, the Agents, or any of their respective affiliates in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished; and

(b) any recourse to the assets of the Government shall be limited to the Trust Assets, which include obligations of the Government under the Transaction Documents.

The Government is obliged to make certain payments under the Transaction Documents directly to the Trustee (for and on behalf of the Certificateholders), and the Delegate (for and on behalf of the Trustee) will have direct recourse against the Government to recover such payments.

The net proceeds of realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Trust Certificates. If, following the distribution of such proceeds, there remains a shortfall in payments due under the Trust Certificates, subject to Condition 16, no holder of Trust Certificates will have any claim against the Trustee, the Government (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents or any of their respective affiliates or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no holder of Trust Certificates will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding-up or receivership of the Trustee, the Government (to the extent that it fulfils all of its obligations under the Transaction Documents), the Delegate, the Agents or any of their respective affiliates as a consequence of such shortfall or otherwise.

4.4 ***Agreement of Certificateholders***

By subscribing for or acquiring the Trust Certificates, each Certificateholder acknowledges and agrees that notwithstanding anything to the contrary contained herein or in any other Transaction Document:

(a) no payment of any amount whatsoever shall be made by any of the Trustee, the Delegate (acting in the name and on behalf of the Trustee) or any of their respective agents on their behalf except to the extent funds are available therefor from the Trust Assets;

(b) no recourse shall be had for the payment of any amount owing hereunder or under any relevant Transaction Document, whether for the payment of any fee, indemnity or other amount hereunder or any other obligation or claim arising out of or based upon the Transaction Documents, against the Trustee (and/or its directors, officers, administrators or shareholders), the Government (and/or its officers) (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party), the Delegate, any Agent or any of their respective agents or affiliates to the extent the Trust Assets have been exhausted following which all obligations of the Trustee, the Delegate, the Government, any Agents and their respective agents or affiliates shall be extinguished;

(c) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, it will not institute against, or join with any other person in instituting against, the Trustee any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law;

(d) no recourse under any obligation, covenant or agreement contained in any Transaction Document shall be had against any shareholder, member, officer, agent or director of the Trustee, by the enforcement of any assessment or by any proceeding, by virtue of any statute or otherwise. The obligations of the Trustee under the Transaction Documents to which it is a party are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the shareholders, members, officers, agents or directors of the Trustee save in the case of their willful default or actual fraud. Reference in these Conditions to willful default or actual fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party; and

(e) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Certificate. No collateral is or will be given for the payment obligations by the Trustee under the Trust Certificates.

5. **The Trust**

5.1 ***Trust Assets***

The Trust Assets will comprise:

(a) the cash proceeds of the Trust Certificates, pending application thereof in accordance with the terms of the Transaction Documents;

(b) the rights, title and interest, present and future, of the Trustee in, to and under the Lease Asset(s);

(c) the rights, title, interest and benefit, present and future, of the Trustee in, to and under the Transaction Documents (excluding: (i) any representations given by the Government to the Trustee and the Delegate pursuant to the Transaction Documents; and (ii) the covenant given to the Trustee pursuant to clause 15.1 of the Master Declaration of Trust);

(d) all monies standing to the credit of the Transaction Account from time to time; and

(e) all proceeds of the foregoing.

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

Pursuant to the Declaration of Trust, the Trustee holds the Trust Assets on trust absolutely for and on behalf of the Certificateholders. On each Periodic Distribution Date, or on any Dissolution Date, the Principal Paying Agent, notwithstanding any instructions to the contrary from the Trustee, will apply the monies standing to the credit of the Transaction Account in the following order of priority:

(a) *first*, (to the extent not previously paid) to the Delegate in respect of all amounts owing to it under the Transaction Documents in its capacity as Delegate;

(b) *secondly*, to the Principal Paying Agent for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid;

(c) *thirdly*, only if such payment is made on any Dissolution Date, to the Principal Paying Agent in or towards payment *pari passu* and rateably of the Dissolution Amount*;*

(d) *fourthly*, only if such payment is made on any Dissolution Date on which all the Trust Certificates of the relevant Series are redeemed in full, to the Servicing Agent in or towards payment of all outstanding Service Charge Amounts (if any); and

(e) *fifthly*, only if such payment is made on any Dissolution Date on which all the Trust Certificates of the relevant Series are redeemed in full, to the Government.

6. **Covenants**

6.1 Subject to Condition 6.2, the Trustee covenants that, for so long as any Trust Certificate is outstanding, it will not (without the prior written consent of the Delegate):

(a) incur any indebtedness, in respect of borrowed money whatsoever (including any Islamic financing), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) or any other certificates except, in all cases, as contemplated in the Transaction Documents;

(b) save as permitted by the Transaction Documents, grant or permit to be outstanding any lien, pledge, charge or other security interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law);

(c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interest in any of the Trust Assets, except pursuant to the Transaction Documents;

(d) use the proceeds of the issue of the Trust Certificates for any purpose other than as stated in the Transaction Documents;

(e) amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its memorandum and articles of association and by-laws (other than in relation to any increase in the aggregate face amount of the Programme);

(f) act as trustee in respect of any trust (other than pursuant to the Declaration of Trust);

(g) have any subsidiaries or employees;

(h) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders (excluding any consideration payable by the Trustee (acting in any capacity) to the Government (acting in any capacity) as contemplated by the Transaction Documents or these Conditions);

(i) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents to which it is a party have been paid in full, put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up, liquidation or dissolution or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or

(j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or any permitted amendment or supplement thereto or as expressly permitted or required thereunder or engage in any business or activity other than:

(i) any such contract, transaction, amendment, obligation or liability in relation to its operations that is of a routine or administrative nature;

(ii) as provided for or permitted in the Transaction Documents;

(iii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and

(iv) such other matters which are incidental thereto.

6.2 Nothing in sub-paragraph (a) of Condition 6.1 shall prevent the Trustee from issuing (or entering into any transaction for the purpose of issuing or entering into any contract in relation thereto or performing any of its obligations thereunder) any sukuk, certificates or other securities intended to be issued in compliance with the principles of Shari'a **provided that**: (a) such securities are, or are intended to be quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; (b) in respect of such securities, the obligations of the Government to the Trustee shall rank at least *pari passu* with the obligations of the Government to the Trustee in respect of the Trust Certificates; and (c) the obligations of the Trustee in respect of such securities shall rank *pari passu* with the Trust Certificates.

7. Fixed Periodic Distribution Provisions

7.1 *Application*

This Condition 7 is applicable to the Trust Certificates only if the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable.

7.2 *Periodic Distribution Amount*

A Periodic Distribution Amount for the Trust Certificates will be payable in respect of the Trust Certificates and will be distributable by the Trustee to the Certificateholders, *pro rata* to their respective holdings, in accordance with these Conditions.

7.3 *Determination of Periodic Distribution Amount*

Except as provided in the applicable Final Terms, the Periodic Distribution Amount payable in respect of each Trust Certificate in definitive form for any Return Accumulation Period shall be the Fixed Amount. Payments of Periodic Distribution Amount in respect of Trust Certificates in definitive form on any Periodic Distribution Date may, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

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

(a) in the case of Trust Certificates which are represented by a Global Trust Certificate, the aggregate outstanding face amount of the Trust Certificates represented by such Global Trust Certificate; or

(b) in the case of Trust Certificates in definitive form, the Calculation Amount,

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

In these Conditions:

"**Day Count Fraction**" has the meaning set out in Condition 8.7.

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

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

7.4 ***Payment in Arrear***

Subject to Condition 7.5, Condition 11.2 to 11.5 and Condition 15, and unless otherwise specified in the applicable Final Terms, each Periodic Distribution Amount will be paid in respect of the relevant Trust Certificates in arrear on each Periodic Distribution Date in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

7.5 ***Cessation of Profit Entitlement***

No further amounts will be payable on any Trust Certificate from and including (a) the Dissolution Date (excluding a Total Loss Dissolution Date), unless default is made in the payment of the Dissolution Amount in which case Periodic Distribution Amounts will continue to accrue in respect of the Trust Certificates in the manner provided in this Condition 7.5 to the earlier of: (i) the Relevant Date; or (ii) the date on which a sale agreement is executed pursuant to the Sale and Substitution Undertaking or the Purchase Undertaking, as the case may be; and (b) save as described in Condition 11.3, the date on which a Total Loss Event occurs.

8. **Floating Periodic Distribution Provisions**

8.1 ***Application***

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

8.2 ***Periodic Distribution Amounts***

Periodic Distribution Amounts for the Trust Certificates will be payable in respect of the Trust Certificates and will be distributable by the Trustee to the Certificateholders in accordance with these Conditions. Such Periodic Distribution Amounts will be payable, *pro rata* to their respective holdings, in arrear on either:

(a) the Specified Periodic Distribution Date(s) in each year specified in the applicable Final Terms; or

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

Such Periodic Distribution Amounts will be payable in respect of each Return Accumulation Period ending immediately before the relevant Periodic Distribution Date.

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

(A) in any case where Specified Periods are specified in accordance with Condition 8.2(b), the Floating Rate Convention, such Periodic Distribution Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day; and (ii) each subsequent Periodic Distribution Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Periodic Distribution Date occurred; or

(B) the Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means a day which is:

(a) a day on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) and settle payments in the Specified Currency in the Additional Business Centre(s) or, if no Specified Currency is indicated, generally in each Additional Business Centre specified in the applicable Final Terms; or

(b) either: (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the Additional Business Centre); or (ii) in relation to any sum payable in euro, a TARGET2 Settlement Day.

8.3 ***ISDA Determination***

If ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate(s) is/are to be determined, the Rate applicable to the Trust Certificates for each Return Accumulation Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this Condition8.3, "**ISDA Rate**" for a Return Accumulation Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Trust Certificates (the "**ISDA Definitions**") and under which:

(a) the Floating Rate Option is as specified in the applicable Final Terms;

(b) the Designated Maturity is a period specified in the applicable Final Terms; and

(c) the relevant Reset Date is the first day of the relevant Return Accumulation Period unless otherwise specified in the applicable Final Terms.

For the purposes of this Condition 8.3, "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

8.4 ***Screen Rate Determination***

(a) If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate(s) is/are to be determined, the Rate applicable to the Trust Certificates for each Return Accumulation Period will, subject as provided below, be either:

(i) the offered quotation; or

(ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum), for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Periodic Distribution Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one highest quotation, one only of those quotations) and the lowest (or, if there is more than one lowest quotation, one only of those quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of the offered quotations.

(b) If the Relevant Screen Page is not available or if, in the case of Condition 8.4(a)(i), no offered quotation appears or, in the case of Condition8.4(a)(ii), fewer than three offered quotations appear, in each case as at the Relevant Time, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Periodic Distribution Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with offered quotations, the Rate for such Return Accumulation Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

(c) If on any Periodic Distribution Determination Date one only or none of the Reference Banks provides the Calculation Agent with an offered quotation as provided in Condition 8.4(b), the Rate for such Return Accumulation Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Periodic Distribution Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the inter-bank market that is most closely connected with the Reference Rate plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Periodic Distribution Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Government suitable for the purpose) informs the Calculation Agent it is quoting to leading banks in the inter-bank market that is most closely connected with the Reference Rate plus or minus (as appropriate) the Margin (if any), **provided that**, if the Rate for such Return Accumulation Period cannot be determined in accordance with the foregoing provisions of this 8.4(c), the Rate for such Return Accumulation Period shall be determined as at the last preceding Periodic Distribution Determination Date (though substituting, where a different Margin is to be applied to the relevant Return Accumulation Period from that which applied to the last

preceding Return Accumulation Period, the Margin relating to the relevant Return Accumulation Period in place of the Margin relating to that last preceding Return Accumulation Period).

8.5 ***Linear Interpolation***

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

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate; and (b) in relation to ISDA Determination, the Designated Maturity (as defined in Condition 8.3).

8.6 ***Cessation of Profit Entitlement***

No further amounts will be payable on any Trust Certificate from and including: (a) the Dissolution Date (excluding a Total Loss Dissolution Date), unless default is made in the payment of the Dissolution Amount in which case Periodic Distribution Amounts will continue to accrue in respect of the Trust Certificates in the manner provided in this Condition to the earlier of: (i) the Relevant Date; or (ii) the date on which a sale agreement is executed pursuant to the Sale and Substitution Undertaking or the Purchase Undertaking, as the case may be; and (b) save as described in Condition 11.3, the date on which a Total Loss Event occurs.

8.7 ***Calculation of Periodic Distribution Amount***

The Calculation Agent will, as soon as practicable after the time at which the Rate is to be determined in relation to each Return Accumulation Period, calculate the Periodic Distribution Amount payable in respect of each Trust Certificate for such Return Accumulation Period. The Periodic Distribution Amount will be calculated by applying the Rate (subject to any Maximum Rate or Minimum Rate as specified in the applicable Final Terms) applicable to the relevant Return Accumulation Period to:

(a) in the case of Trust Certificates which are represented by a Global Trust Certificate, the aggregate outstanding face amount of the Trust Certificates represented by such Global Trust Certificate; or

(b) in the case of Trust Certificates in definitive form, the Calculation Amount,

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

"**Day Count Fraction**" means, in respect of the calculation of a Periodic Distribution Amount in accordance with these Conditions:

(a) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 (or, if any portion of that Return Accumulation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Return Accumulation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Return Accumulation Period falling in a non-leap year divided by 365);

(b) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365;

(c) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;

(d) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 360;

(e) if "**30/360**" "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \text{ x } (Y_2 - Y_1) + (30 \text{ x } (M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number is 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31 and D^1 is greater than 29, in which case D_2 will be 30;

(f) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \text{ x } (Y_2 - Y_1) + (30 \text{ x } (M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31, in which case D_2 will be 30;

(g) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{DayCountFraction} = \frac{[360 \text{ x } (Y_2 - Y_1) + (30 \text{ x } (M_2 - M_1) + (D_2 - D_1)]}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless: (i) that day is the last day of February; or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless: (i) that day is the last day of February but not the Maturity Date; or (ii) such number would be 31, in which case D_2 will be 30.

(h) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

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

(ii) in the case of Trust Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days

in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year.

8.8 ***Calculation Agent***

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

8.9 ***Publication***

The Calculation Agent will cause each Rate Periodic Distribution Amount and Dissolution Amount determined by it, together with the relevant Periodic Distribution Date and Dissolution Date, respectively, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Trustee, the Government, the Delegate, the Agents and each listing authority, stock exchange and/or quotation system (if any) by which the Trust Certificates have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate, Periodic Distribution Amount and Periodic Distribution Date) in any event not later than the first day of the relevant Return Accumulation Period. Notice thereof shall also be given promptly to the Certificateholders in accordance with Condition 18. The Calculation Agent will be entitled to recalculate any Periodic Distribution Amount (on the basis of the foregoing provisions) without prior notice in the event of an extension or shortening of the relevant Return Accumulation Period. Any such amendment shall be notified promptly to any relevant stock exchange and/or quotation system, as the case may be, and to the Certificateholders in accordance with Condition 18.

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

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8 by the Calculation Agent will (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Trustee, the Delegate, the other Agents and all Certificateholders (in the absence as referred to above). No Liability to the Trustee, the Delegate, the Government, the other Agents or the Certificateholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition 8 (save in the case of wilful default, bad faith or manifest or proven error).

9. **Payment**

Payment of Dissolution Amounts and Periodic Distribution Amounts will be made by transfer to the registered account (as defined below) of a Certificateholder. Payments of Dissolution Amounts (where all of the Trust Certificates of the relevant Series are to be redeemed in full) will only be made against surrender of the relevant Trust Certificate (or the Certificate representing such Trust Certificate) at the specified office of the Registrar or the Principal Paying Agent. Dissolution Amounts and Periodic Distribution Amounts will be paid to the Certificateholder shown on the Register at the close of business on the relevant Record Date.

For the purposes of this Condition 9, a Certificateholder's "registered account" means the account in the Specified Currency maintained by or on behalf of such Certificateholder with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date.

All such payments will be made subject to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions described in Condition 13. No commissions or expenses shall be charged to the Certificateholders in respect of such payments.

Payment instructions will be initiated on the Payment Business Day preceding the due date for payment or, in the case of a payment of face amounts (where all of the Trust Certificates of the relevant Series are to be redeemed in full) if later, on the Payment Business Day on which the relevant Trust Certificate is surrendered (where such surrender is required) at the specified office of the Registrar or the Principal Paying Agent.

Certificateholders will not be entitled to any payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Certificateholder is late in surrendering its Trust Certificate (if required to do so in accordance with this Condition 9).

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

10. **Agents**

10.1 ***Agents of Trustee***

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

10.2 ***Specified Offices***

The names of the initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the Final Terms attached to or endorsed on this Trust Certificate. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents **provided, however, that**:

(a) there will at all times be a Principal Paying Agent;

(b) there will at all times be a Registrar;

(c) if a Calculation Agent (other than the Principal Paying Agent) has been appointed in the applicable Final Terms, there will at all times be a Calculation Agent; and

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

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

11. **Capital Distributions of Trust**

11.1 ***Scheduled Dissolution***

Unless the Trust Certificates are redeemed, purchased and/or cancelled earlier, each Trust Certificate shall be redeemed on the Scheduled Dissolution Date at its Final Dissolution Amount, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Scheduled Dissolution Date (the "**Final Dissolution Amount**"). Upon payment in full of such amounts, the Trust will be dissolved, the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

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

The Trust Certificates may be redeemed by the Trustee in whole, but not in part, on any date (such date, the "**Tax Dissolution Date**") upon giving not less than 30 nor more than 60 days' notice to the Delegate and the Certificateholders in accordance with Condition 18 (which notice shall be irrevocable) and to the Delegate, at the Dissolution Amount (which, for the avoidance of doubt, shall include any accrued but unpaid Periodic Distribution Amounts) (the "**Tax Dissolution Amount**"), if a Tax Event occurs, where "**Tax Event**" means:

(a) the determination by the Government that: (1) the Trustee has or will become obliged to pay additional amounts as provided or referred to in Condition 13 as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (excluding the Emirate of Sharjah) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Series; and (2) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or

(b) the receipt by the Trustee of notice from the Government that: (1) the Government has or will become obliged to pay additional amounts pursuant to the terms of the Lease Agreement or the Purchase Undertaking as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction (excluding the Emirate of Sharjah) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Series; and (2) such obligation cannot be avoided by the Government taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given unless an Exercise Notice has been received by the Trustee from the Government under the Sale and Substitution Undertaking and no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which: (i) (in the case of (a) above) the Trustee would be obliged to pay such additional amounts if a payment in respect of the Trust Certificates were then due; or (ii) (in the case of (b) above) the Government would be obliged to pay such additional amounts if a payment to the Trustee under the Lease Agreement or the Purchase Undertaking (as the case may be) was then due.

Prior to the publication of any notice of redemption pursuant to this Condition 11.2, the Trustee shall deliver to the Delegate: (i) a certificate signed by two directors of the Trustee (in the case of (a) above) or two Authorised Signatories of Sharjah Finance Department (acting on behalf of the Government) (in the case of (b) above) stating that the Trustee is entitled to effect such dissolution and redemption and setting forth a statement of facts showing that the conditions precedent in (a) or (b) above to the right of the Trustee so to dissolve have occurred; and (ii) an opinion of independent legal advisers of recognised international standing to the effect that the Trustee or, as the case may be, the Government has or will become obliged to pay such additional amounts as a result of such change or amendment. The Delegate shall be entitled to accept (without further investigation) any such certificate and opinion as sufficient evidence thereof without incurring any liability to any person in which event it shall be conclusive and binding on the Certificateholders. Upon the expiry of any such notice as is referred to in this Condition 11.2, the Trustee shall be bound to redeem the Trust Certificates at the Tax Dissolution Amount and, upon payment in full of such amounts to the Certificateholders, the Trust will be dissolved, the Trust Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

11.3 ***Dissolution at the Option of the Government (Optional Dissolution Call Right)***

If the Optional Dissolution Call Right option is specified in the applicable Final Terms as being applicable, the Government may in its sole discretion deliver to the Trustee a duly completed Exercise Notice, subject to and in accordance with the provisions of the Sale and Substitution Undertaking and, on receipt of such notice, the Trustee shall redeem the Trust Certificates in whole but not in part on any Optional Dissolution Date at the relevant Optional Dissolution Amount (Call), including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Optional Dissolution Date (the "**Optional Dissolution Amount (Call)**") on the Trustee giving not less than 30 days' nor more than 60 days' notice to the Delegate and the Certificateholders (or such other notice period as may be specified hereon) in accordance with Condition 18 (which notice

shall be irrevocable and shall oblige the Trustee to redeem the Trust Certificates on the relevant Optional Dissolution Date).

11.4 ***Dissolution following a Total Loss Event***

Upon the occurrence of a Total Loss Event (as defined below) and unless the Lease Asset(s) is/are replaced as provided in the Servicing Agency Agreement by no later than the 30th day after the occurrence of a Total Loss Event, the Trust Certificates shall be redeemed and the Trust dissolved by no later than the close of business in London on the 31st day after the occurrence of the Total Loss Event (or, if such date is not a Payment Business Day, on the immediately following Payment Business Day) (the "**Total Loss Dissolution Date**"), following notification thereof to the Delegate and the Certificateholders in accordance with Condition 18. The Trust Certificates will be redeemed using the proceeds of: (a) the Insurances payable in respect of the Total Loss Event, which are required to be paid into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event; and (b) if required, the Total Loss Shortfall Amount (as defined herein) which is required to be paid into the Transaction Account by no later than the close of business in London on the 30th day after the occurrence of the Total Loss Event.

A "**Total Loss Event**" is the total loss or destruction of, or damage to the whole of, the Lease Asset(s) or any event or occurrence that renders the whole of the Lease Asset(s) permanently unfit for any economic use and (but only after taking into consideration any insurances or other indemnity granted by any third party in respect of the Lease Asset(s)) the repair or remedial work in respect thereof is wholly uneconomical.

The Servicing Agency Agreement provides that if the obligations of the Servicing Agent thereunder are not strictly complied with and as a result no proceeds of Insurances are paid into the Transaction Account or any proceeds of Insurances paid into the Transaction Account are less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount (if any) paid into the Transaction Account or, as the case may be, no amount, being the "**Total Loss Shortfall Amount**"), the Servicing Agent shall be responsible for paying the Total Loss Shortfall Amount into the Transaction Account by no later than close of business in London on the Total Loss Dissolution Date.

11.5 ***Dissolution at the Option of the Certificateholders***

If Certificateholder Put Right is specified in the applicable Final Terms as being applicable, upon the holder of any Trust Certificate giving to the Trustee in accordance with Condition 18 (with a copy to the Delegate) not less than 15 days' nor more than 30 days' notice (or such other notice period as may be specified hereon), the Trustee shall, upon the expiry of such notice, redeem such Trust Certificate on the Certificateholder Put Right Date and at the Optional Dissolution Amount (Put) specified in, or determined in the manner specified in, the applicable Final Terms, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the relevant Certificateholder Put Right Date (the "**Optional Dissolution Amount (Put)**"). For the purposes thereof, the Trustee (or the Delegate (on behalf of the Trustee)) shall deliver to the Government a duly completed Exercise Notice (in the case of delivery by the Trustee, with a copy to the Delegate), subject to and in accordance with the provisions of the Purchase Undertaking. Trust Certificates may be redeemed or, as the case may be, purchased under this Condition 11.5 in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of any Trust Certificate pursuant to this Condition 11.5 the holder thereof must, if the Trust Certificate is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the Registrar at any time during normal business hours of such Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) set out in the Agency Agreement and obtainable from any specified office of the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 11.5 and the aggregate face amount thereof to be redeemed and, if less than the full aggregate face amount of the Trust Certificates in definitive form so surrendered is to be redeemed, an address to which a new Trust Certificate in definitive form in respect of the balance of such Trust Certificates in definitive form is to be sent subject to and in accordance with the provisions of Condition 3.

If the relevant Trust Certificate is represented by a Global Trust Certificate and held through Euroclear and Clearstream, Luxembourg, to exercise the right to require redemption thereof the holder of such Trust Certificate must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such Certificateholder's instruction by Euroclear and Clearstream, Luxembourg or any depositary or custodian (as applicable) for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and at the same time present or procure the presentation of the relevant Global Trust Certificate to the Principal Paying Agent for notation accordingly.

No Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Trust Certificate pursuant to this Condition 11.5 may be withdrawn without the prior consent of the Trustee except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Trust Certificates are to be redeemed pursuant to Condition 15, in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 11.5.

11.6 ***Dissolution at the Option of the Government (Clean Up Call Right)***

If Clean Up Call Right is specified in the applicable Final Terms as being applicable and 75 per cent. or more of the aggregate face amount of the Trust Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to this Condition 11 or Condition 12, the Government may in its sole discretion deliver to the Trustee a duly completed Exercise Notice, subject to and in accordance with the provisions of the Sale and Substitution Undertaking, and, on receipt of such notice, the Trustee shall redeem the Trust Certificates in whole but not in part, on the Trustee giving not less than 30 days' nor more than 60 days' notice (or such other notice period as may be specified in the applicable Final Terms, such notice period being given within 30 days after the Certificateholder Put Right Date, if applicable) to the Delegate and the Certificateholders in accordance with Condition 18 (which notice shall be irrevocable and shall oblige the Trustee to redeem the Trust Certificates on the date specified in such notice (the "**Clean Up Call Right Dissolution Date**")), at the Clean Up Call Dissolution Amount specified in, or determined in the manner specified in, the applicable Final Terms, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Clean Up Call Right Dissolution Date (the "**Clean Up Call Dissolution Amount**").

11.7 ***Dissolution following a Dissolution Event***

Upon the occurrence of a Dissolution Event, the Trust Certificates shall be redeemed at their Dissolution Event Amount specified in, or determined in the manner specified in, the applicable Final Terms, including all unpaid Periodic Distribution Amounts accrued (if any) to (but excluding) the Dissolution Event Redemption Date (the "**Dissolution Event Amount**"), subject to and as more particularly described in Condition 15 and this Condition 11.

11.8 ***No Other Optional Early Dissolution***

Neither the Trustee nor the Certificateholders shall be entitled to redeem, or cause to be redeemed, as applicable, the Trust Certificates, otherwise than as provided in this Condition 11 and Condition 15. Upon payment in full of all amounts due in respect of the Trust Certificates of any Series the Trustee shall be bound to dissolve the Trust and the Trust Certificates shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and neither the Government nor the Trustee shall have any further obligations in respect thereof.

11.9 ***Cancellation***

All Trust Certificates which are redeemed will forthwith be forwarded to the Registrar, cancelled and destroyed and accordingly may not be held, reissued or resold.

12. **Purchase and Cancellation of Trust Certificates**

12.1 ***Purchases***

The Trustee, the Government of the Emirate of Sharjah, the Sharjah Finance Department and/or any other public sector instrumentality of the Government of the Emirate of Sharjah (as defined in Condition 19(a)(i)) may at any time purchase Trust Certificates at any price in the open market or otherwise at any price. Following any purchase of Trust Certificates pursuant to this Condition 12.1, such Trust Certificates may be held, resold or, at the discretion of the holder thereof, cancelled (subject to such Trust Certificates being deemed not to remain outstanding for certain purposes as provided under the Master Declaration of Trust and these Conditions if so held, as more particularly set out in Condition 19(a)(i)).

12.2 ***Cancellation***

Should the Government wish to cancel any Trust Certificates purchased pursuant to Condition 12.1, it shall deliver a Cancellation Notice to the Trustee (in accordance with the Sale and Substitution Undertaking) whereupon the Trustee shall, in accordance with the terms of the Sale and Substitution Undertaking, be obliged to transfer all of the Trustee's rights, title and interests in, to and under the Cancelled Lease Asset(s) to the Government in consideration for which the Trust Certificates shall be cancelled. The transfer of the Cancelled Lease Asset(s) will take effect by the Government and the Trustee entering into a Sale Agreement (in the form scheduled to the Sale and Substitution Undertaking). Following the entry into such Sale Agreement, the Trustee shall forthwith surrender to the Registrar the relevant Trust Certificates identified for cancellation in the Cancellation Notice on the Cancellation Date and, upon surrender thereof, all such Trust Certificates shall be cancelled forthwith.

13. **Taxation**

All payments in respect of the Trust Certificates shall be made in the Specified Currency without set-off or counterclaim of any kind and free and clear of, and without withholding or deduction for, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within a Relevant Jurisdiction or any authority therein or thereof having power to tax, unless the withholding or deduction is required by law. In that event, the Trustee shall pay such additional amounts as will result in receipt by the Certificateholders of such amounts as would have been received by them, had no such withholding or deduction been required, except that no such additional amount shall be payable in respect of any Trust Certificate:

(a) held by or on behalf of a holder who is liable for such Taxes in respect of such Trust Certificate by reason of having some connection with a Relevant Jurisdiction other than the mere holding of the Trust Certificate; or

(b) where the relevant Trust Certificate is required to be surrendered for payment and is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Certificateholder would have been entitled to such additional amount if it surrendered; or

(c) the relevant Trust Certificate for payment on the last day of such period of 30 days.

14. **Prescription**

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

15. **Dissolution Events**

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

(a) default is made in the payment of the Dissolution Amount on the date fixed for payment thereof or default is made in the payment of any Periodic Distribution Amount on the due date for payment thereof and, in the case of the Dissolution Amount, such default continues unremedied for a period of seven Business Days and, in the case of a Periodic

Distribution Amount, such default continues unremedied for a period of 14 Business Days; or

(b) the Trustee fails to perform or observe any one or more of its other duties, obligations or undertakings under the Trust Certificates or the Transaction Documents, which failure is, in the sole opinion of the Delegate, incapable of remedy or, if in the sole opinion of the Delegate is capable of remedy, is not, in the sole opinion of the Delegate, remedied within the period of 30 days following the service by the Delegate of a notice on the Trustee requiring the same to be remedied; or

(c) a Government Event occurs; or

(d) the Trustee repudiates or challenges the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate or challenge the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party; or

(e) at any time it is or will become unlawful or impossible for the Trustee to perform or comply with any or all of its obligations under the Trust Certificates or the Transaction Documents or any of the obligations of the Trustee under the Trust Certificates or the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or

(f) either: (i) the Trustee is (or is deemed by law or a court to be) insolvent or unable to pay its debts as they fall due; or (ii) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made); or (iii) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it; or (iv) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or

(g) an order or decree is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Trustee; or

(h) any event occurs which under the laws of the Cayman Islands has an analogous effect to any of the events referred to in paragraphs (f) and (g) above,

the Delegate, upon receiving notice thereof under the Declaration of Trust or otherwise becoming aware of a Dissolution Event and subject to it being indemnified and/or secured and/or prefunded to its satisfaction, shall promptly give notice of the occurrence of such Dissolution Event to the holders of Trust Certificates in accordance with Condition 18 with a request to such holders to indicate to the Trustee and the Delegate if they wish the Trust Certificates to be redeemed and the Trust to be dissolved. Following the issuance of such notice, the Delegate in its sole discretion may, and if so requested in writing by the holders of at least 25 per cent. of the then aggregate face amount of the Series of Trust Certificates outstanding or if so directed by an Extraordinary Resolution of the holders of the Trust Certificates (each a "**Dissolution Request**") shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (a "**Dissolution Notice**") to the Trustee, the Government and the holders of the Trust Certificates of the relevant Series in accordance with Condition 18 that the Trust Certificates are immediately due and payable at the Dissolution Amount, on the date of such notice (the "**Dissolution Event Redemption Date**"), whereupon they shall become so due and payable. If it has not already done so, (so long as a Total Loss Event has not occurred), the Trustee (or the Delegate acting on behalf of the Certificateholders) shall exercise its rights under the Purchase Undertaking by serving an Exercise Notice on the Government.

Upon payment in full of such amounts, the Trust will be dissolved, the Trust Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

For the purposes of paragraph (a) above, amounts shall be considered due in respect of the Trust Certificates (including for the avoidance of doubt any amounts calculated as being payable under Conditions 7 and 8 and Condition 11) notwithstanding that the Trustee has at the relevant time insufficient funds or Trust Assets to pay such amounts.

For the purposes of this Condition 15, "**Government Event**" shall mean each of the following events:

(i) if default is made by the Government in the payment of: (i) any Rental to be paid into the Transaction Account by the Lessee in accordance with the terms of the Lease Agreement and the default continues for a period of 14 Business Days; or (ii) the Exercise Price, the Certificateholder Put Right Exercise Price or any Total Loss Shortfall Amount (as the case may be) and the default continues for a period of seven Business Days; or

(ii) if the Government fails to perform or observe any one or more of its other obligations under the Transaction Documents (other than with respect to clause 8 of the Servicing Agency Agreement, the failure to comply with which shall not constitute a Government Event), which failure is, in the sole opinion of the Delegate, incapable of remedy or, if in the sole opinion of the Delegate capable of remedy, is not, in the sole opinion of the Delegate, remedied within the period of 30 days following the service by the Delegate on the Government of notice requiring the same to be remedied; or

(iii) if any Financial Indebtedness of the Government is not paid when due nor within any originally applicable grace period or any such Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (howsoever described) **provided, however, that** it shall not constitute a Government Event under this paragraph (iii) unless the aggregate amount of all such Financial Indebtedness shall be more than U.S.$30,000,000 (or its equivalent in any other currency or currencies); or

(iv) if any execution, distress, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against, or an encumbrancer takes possession of, the whole or any substantial part of the property, undertaking or assets of the Government or any event occurs which under the laws of any jurisdiction has a similar or analogous effect, and any such event is not discharged within 30 days; or

(v) if the Government fails to comply with or pay any sum which amount shall not be less than U.S. $50,000,000 (or its equivalent in any other currency or currencies) due from it under any final non-appealable judgment or any final non-appealable order made or given by any court of competent jurisdiction and such failure continues for a period of 60 days following the service by the Delegate on the Government of notice requiring the same to be paid/remedied; or

(vi) if the Government enters into an arrangement with its creditors generally for the rescheduling or postponement of any Financial Indebtedness, as a result of its inability or potential inability to fulfill its obligations to them, or a moratorium on the payment of all or any part of the Financial Indebtedness of the Government is declared; or

(vii) if the Government repudiates or challenges the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party or does or causes to be done any act or thing evidencing an intention to repudiate or challenge the valid, legal, binding and enforceable nature of any, or any part of a, Transaction Document to which it is a party, or if the validity of the Government's obligations under the Transaction Documents is contested by the Government or the Government denies any of its obligations under the Transaction Documents; or

(viii) if at any time it is or will become unlawful or impossible for the Government to perform or comply with any or all of its obligations under the Trust Certificates or the Transaction Documents or any of the obligations of the Government under the Trust Certificates or the Transaction Documents are not or cease to be legal, valid, binding and enforceable; or

(ix) the expropriation, nationalisation, requisition, confiscation, attachment, sequestration or execution of any legal process by the Government in respect of the whole of the Lease Assets; or

(x) if any action, condition or thing at any time required to be taken, fulfilled or done in order:

(A) to enable the Government lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Transaction Documents; or

(B) to ensure that those obligations are legal, valid, binding and enforceable,

is not taken, fulfilled or done.

16. **Enforcement and Exercise of Rights**

16.1 ***Limitation on Liability of the Trustee***

Following the enforcement, realisation and ultimate distribution of the proceeds of the Trust Assets in respect of the Trust Certificates to the Certificateholders in accordance with these Conditions and the Declaration of Trust, the Trustee shall not be liable for any further sums, and accordingly no Certificateholder may take any action against the Trustee or any other Person to recover any such sum in respect of the Trust Certificates or Trust Assets.

16.2 ***Delegate not obliged to take action***

The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the Trust Assets or take any action, step or proceedings against the Government and/or the Trustee under any Transaction Document unless directed or requested to do so in writing by the holders of at least 25 per cent. in aggregate face amount of the Trust Certificates then outstanding and subject, in each case, to it being indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

16.3 ***Direct enforcement by Certificateholders***

No Certificateholder shall be entitled to proceed directly against the Trustee or the Government, under any Transaction Document, unless the Delegate, having become so bound to proceed, fails to do so within 30 days of becoming so bound and such failure is continuing. Under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents and/or these Conditions, and the sole right of the Trustee, the Delegate and the Certificateholders against the Trustee and the Government, as applicable, shall be to enforce their respective obligations under the Transaction Documents.

16.4 ***Limited recourse***

Conditions16.1, 16.2 and 16.3 are subject to this Condition 16.4. After enforcing or realising the Trust Assets in respect of the Trust Certificates of the relevant Series and distributing the net proceeds of the relevant Trust Assets in accordance with Condition 5.2 and the Declaration of Trust, the obligations of the Trustee in respect of the Trust Certificates of the relevant Series shall be satisfied and no Certificateholder may take any further steps against the Trustee or the Delegate or any other Person to recover any further sums in respect of the Trust Certificates of the relevant Series and the right to receive any such sums unpaid shall be extinguished.

17. **Replacement of Definitive Trust Certificates**

Should any definitive Trust Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Trustee may reasonably require (in light of prevailing market practice). Mutilated or defaced definitive Trust Certificates must be surrendered and cancelled before replacements will be issued.

18. **Notices**

All notices to the Certificateholders will be valid if mailed to them by first class pre-paid registered mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses in the Register.

The Trustee shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) on which the Trust Certificates are for the time being listed or on which they have been admitted to trading and/or quotation (as applicable). In addition, for so long as any Trust Certificates are listed on a stock exchange or are admitted to trading by another relevant authority and/or admitted to quotation (as applicable) and the rules of that stock exchange, relevant authority or quotation system (as applicable) so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules.

So long as the Trust Certificates are listed on Euronext Dublin and the rules of the exchange so require, notices to Certificateholders shall also be published either on the website of Euronext Dublin (www.ise.ie.) or in a daily newspaper with general circulation in Ireland (which is expected to be the *Irish Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.

Any notice shall be deemed to have been given on the fourth day (other than a Friday, Saturday or Sunday) after being mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication. So long as the Global Trust Certificate representing the Trust Certificates is held in its entirety on behalf of Euroclear and Clearstream, Luxembourg, there may be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the Certificateholders. Any such notice shall be deemed to have been given to the Certificateholders on the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

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

19. **Meetings of Certificateholders; Written Resolutions**

(a) ***Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions:***

(i) The Trustee, the Government and/or the Delegate may convene a meeting of the Certificateholders at any time in respect of the Trust Certificates in accordance with the provisions of the Master Declaration of Trust and the Agency Agreement. The Trustee, the Government or the Delegate, as the case may be, will determine the time and place of the meeting and will notify the Certificateholders of the time, place and purpose of the meeting not less than 21 and not more than 45 days before the meeting.

(ii) The Trustee, the Government and/or the Delegate (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) will convene a meeting of Certificateholders if the holders of at least 10 per cent. in face amount of the outstanding Trust Certificates (as defined in the Master Declaration of Trust

and described in Condition 19(i))) have delivered a written request to the Trustee, the Government or the Delegate (with a copy to the Trustee and the Government) setting out the purpose of the meeting. The Delegate shall agree the time and place of the meeting with the Trustee and the Government promptly. The Trustee, the Government or the Delegate, as the case may be, will notify the Certificateholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 days after the date on which such notification is given.

(iii) The Trustee or the Government (as the case may be) (with the agreement of the Delegate) will set the procedures governing the conduct of any meeting in accordance with the Master Declaration of Trust and the Agency Agreement. If neither the Master Declaration of Trust nor the Agency Agreement includes such procedures, or additional procedures are required, the Trustee, the Government and the Delegate will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter the Trustee or the Government (as the case may be) proposes any modification to the terms and conditions of, or action with respect to, two or more series of securities issued by it.

(iv) The notice convening any meeting will specify, *inter alia*:

(A) the date, time and location of the meeting;

(B) the agenda and the text of any Extraordinary Resolution (as defined below) to be proposed for adoption at the meeting;

(C) the Record Date for the meeting, which shall be no more than five business days before the date of the meeting;

(D) the documentation required to be produced by a Certificateholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Certificateholder's behalf at the meeting;

(E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Trust Certificates are traded and/or held by Certificateholders;

(F) whether Condition 19(b), 19(c) or 19(d) shall apply and, if relevant, in relation to which other series of securities it applies;

(G) if the proposed modification or action relates to two or more series of securities issued by it and contemplates such series of securities being aggregated in more than one group of securities, a description of the proposed treatment of each such group of securities;

(H) such information that is required to be provided by the Trustee in accordance with Condition 19(f));

(I) the identity of the Aggregation Agent (appointed in accordance with Condition 20(a)) and as defined therein) and the Calculation Agent, if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 19(g); and

(J) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of securities.

(v) In addition, the Master Declaration of Trust contains provisions relating to Written Resolutions (as defined below). Further, the Master Declaration of Trust provides that, where the Trust Certificates are held by or on behalf of a clearing

system or clearing systems, approval of a resolution may be given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with the operating rules and procedures of the relevant clearing system(s) by or on behalf of the Certificateholders ("**Electronic Consent**"). All information to be provided pursuant to Condition 19(a)(iv) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions or resolutions approved by Electronic Consent.

(vi) A "**Record Date**" in relation to any proposed modification or action means the date fixed by the Trustee or the Government (as the case may be) for determining the Certificateholders and, in the case of a multiple series aggregation, the holders of securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution as set out below.

(vii) An "**Extraordinary Resolution**" means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.

(viii) A "**Written Resolution**" means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.

(ix) Any reference to "**securities**" means any trust certificates (including, without limitation, the Trust Certificates), bonds, debentures or other securities issued by the Trustee or the Government in one or more series with an original stated maturity of more than one year.

(x) "**Securities Capable of Aggregation**" means those securities which include or incorporate by reference this Condition 19 and Condition 20 or provisions substantially in these terms which provide for the securities which include such provisions to be capable of being aggregated for voting purposes with other series of securities.

(xi) "**business day**" shall mean a day on which banks are open for business in the city in which the specified office of the Registrar is located.

(b) ***Modification of this Series of Trust Certificates only:***

(i) Without prejudice to clause 11 of the Master Declaration of Trust, any modification of any provision of, or any action in respect of, these Conditions or the Transaction Documents in respect of the Trust Certificates may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.

(ii) A "**Single Series Extraordinary Resolution**" means a resolution passed at a meeting of Certificateholders duly convened and held in accordance with the procedures prescribed by the Trustee or the Government and the Delegate pursuant to Condition 19(a) by a majority of:

(A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate face amount of the outstanding Trust Certificates; or

(B) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate face amount of the outstanding Trust Certificates.

(iii) A "**Single Series Written Resolution**" means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

(A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate face amount of the outstanding Trust Certificates; or

(B) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate face amount of the outstanding Trust Certificates.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders.

(iv) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Certificateholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

(c) ***Multiple Series Aggregation – Single limb voting:***

(i) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, **provided that** the Uniformly Applicable condition (as defined below) is satisfied.

(ii) A **"Multiple Series Single Limb Extraordinary Resolution"** means a resolution considered at separate meetings of the holders of each affected series of Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Trustee or the Government (as the case may be) and the Delegate pursuant to Condition 19(a), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate face amount of the outstanding securities of all affected series of Securities Capable of Aggregation (taken in aggregate).

(iii) A "**Multiple Series Single Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Securities Capable of Aggregation, in accordance with the applicable securities documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the aggregate face amount of the outstanding securities of all affected series of Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders or one or more holders of each affected series of Securities Capable of Aggregation.

(iv) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution approved shall be binding on all Certificateholders and holders of each other affected series of Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be.

(v) The "**Uniformly Applicable**" condition will be satisfied if:

(A) the holders of all affected series of Securities Capable of Aggregation are invited to exchange, convert, or substitute their securities, on the same terms, for (1) the same new instrument or other consideration or (2) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or

(B) the amendments proposed to the terms and conditions of each affected series of Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to the currency of issuance).

(vi) It is understood that a proposal under Condition 19(c)(iii) will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation is not offered the same amount of consideration per Dissolution Amount, the same amount of consideration per Periodic Distribution Amount accrued but unpaid and the same amount of consideration per past due Periodic Distribution Amount, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation is not offered the same amount of consideration per Dissolution Amount, the same amount of consideration per amount of Periodic Distribution Amount accrued but unpaid and the same amount of consideration per amount of past due Periodic Distribution Amount, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Securities Capable of Aggregation electing the same option from such menu of instruments).

(vii) Any modification or action proposed under Condition 19(c) may be made in respect of some series only of the Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 19(c) may be used for different groups of two or more series of Securities Capable of Aggregation simultaneously.

(d) ***Multiple Series Aggregation – Two limb voting:***

(i) In relation to a proposal that includes a Reserved Matter (as defined below), any modification to the terms and conditions of, or any action with respect to, two or more series of Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.

(ii) A "**Multiple Series Two Limb Extraordinary Resolution**" means a resolution considered at separate meetings of the holders of each affected series of Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Trustee or the Government (as the case may be) and the Delegate pursuant to Condition 19(a)), as supplemented if necessary, which is passed by a majority of:

(A) at least 66⅔ per cent. of the aggregate face amount of the outstanding securities of affected series of Securities Capable of Aggregation (taken in aggregate); and

(B) more than 50 per cent. of the aggregate face amount of the outstanding securities in each affected series of Securities Capable of Aggregation (taken individually).

(iii) A "**Multiple Series Two Limb Written Resolution**" means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Securities Capable of Aggregation, in accordance with the applicable securities documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

(A) at least 66⅔ per cent. of the aggregate face amount of the outstanding securities of all the affected series of Securities Capable of Aggregation (taken in aggregate); and

(B) more than 50 per cent. of the aggregate face amount of the outstanding securities in each affected series of Securities Capable of Aggregation (taken individually).

Any Multiple Series Two Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders or one or more holders of each affected series of Securities Capable of Aggregation.

(iv) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution approved shall be binding on all Certificateholders and holders of each other affected series of Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.

(v) Any modification or action proposed under this Condition 19(d) may be made in respect of some series only of the Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 19(d) may be used for different groups of two or more series of Securities Capable of Aggregation simultaneously.

(e) ***Reserved Matters:***

In these Conditions, "**Reserved Matter**" means any proposal:

(i) to change the Scheduled Dissolution Date or any other date, or the method of determining the Scheduled Dissolution Date or any other date, for payment of the Dissolution Amount, the Periodic Distribution Amount or any other amount in respect of the Trust Certificates, to reduce or cancel the amount of the Dissolution Amount, the Periodic Distribution Amount or any other amount payable on any date in respect of the Trust Certificates or to change the method of calculating the amount of the Dissolution Amount, the Periodic Distribution Amount or any other amount payable in respect of the Trust Certificates on any date for any such payment (other than any change arising from the discontinuation of any Reference Rate used to determine the amount of any payment in respect of any Certificate);

(ii) to change the currency in which any amount due in respect of the Trust Certificates is payable or the place in which any payment is to be made;

(iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Certificateholders or the number or percentage of votes required to be cast, or the number or percentage of Trust Certificates required to be held, in connection with the taking of any decision or action by or on behalf of the Certificateholders or any of them;

(iv) to change this definition, or the definition of "**Extraordinary Resolution**", "**Single Series Extraordinary Resolution**", "**Multiple Series Single Limb Extraordinary Resolution**", "**Multiple Series Two Limb Extraordinary Resolution**", "**Written Resolution**", "**Single Series Written Resolution**", "**Multiple Series Single Limb Written Resolution**" or "**Multiple Series Two Limb Written Resolution**";

(v) to change the definition of "**securities**" or "**Securities Capable of Aggregation**";

(vi) to change the definition of "**Uniformly Applicable**";

(vii) to change the definition of "**outstanding**" or to modify the provisions of Condition 19(i);

(viii) to change (A) the legal ranking of the Trust Certificates or (B) to approve such other arrangement by way of Extraordinary Resolution of the Certificateholders as referred to in Condition 4.2;

(ix) to change any provision of the Trust Certificates describing circumstances in which Trust Certificates may be declared due and payable prior to their scheduled maturity date, set out in Condition 15;

(x) to change the law governing the Trust Certificates, any of the arrangements specified in the Trust Certificates to enable proceedings to be taken or the Trustee's waiver of immunity, in respect of actions or proceedings brought by any Certificateholder, set out in Condition 27;

(xi) to impose any condition on or otherwise change the Trustee's obligation to make payments of the Dissolution Amount, the Periodic Distribution Amount or any other amount in respect of the Trust Certificates;

(xii) to modify the provisions of this Condition 19(e));

(xiii) to change any of the Government's covenants set out in the Lease Agreement or any of its covenants or undertakings to make a payment under any Transaction Document to which it is a party; or

(xiv) to exchange or substitute all the Trust Certificates for, or convert all the Trust Certificates into, other obligations or securities of the Trustee or the Government (as the case may be) or any other Person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Trust Certificates for, or the conversion of the Trust Certificates into, any other obligations or securities of the Trustee or the Government (as the case may be) or any other Person, which would result in these Conditions as so modified being less favourable to the Certificateholders which are subject to these Conditions as so modified than:

(A) the provisions of the other obligations or securities of the Trustee or the Government (as the case may be) or any other Person resulting from the relevant exchange or substitution or conversion; or

(B) if more than one series of other obligations or securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of securities having the largest aggregate face amount.

(f) ***Information***:

Prior to or on the date that the Trustee or the Government or the Delegate (as the case may be) proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 19(b), 19(c) or 19(d), the Trustee or the Government (as the case may be) shall publish in accordance with Conditions 18 and 20, and provide the Delegate with the following information:

(i) a description of the Trustee's and the Government's economic and financial circumstances which are, in the Trustee's or the Government's, as applicable, opinion, relevant to the request for any potential modification or action, a description of the Trustee's and the Government's existing debts and a description of the Government's broad policy reform programme and provisional macroeconomic outlook;

(ii) if the Trustee or the Government shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors

or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;

(iii) a description of the Trustee's and/or the Government's proposed treatment of external securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other securities and its other major creditor groups; and

(iv) if any proposed modification or action contemplates securities being aggregated in more than one group of securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Certificateholders in accordance with Condition 19(a)(iv)(G).

(g) ***Claims Valuation:***

For the purpose of calculating the par value of the Trust Certificates and any affected series of securities which are to be aggregated with the Trust Certificates in accordance with Conditions 19(c) and 19(d), the Trustee or the Government (as the case may be) may appoint a Calculation Agent. The Trustee or the Government (as the case may be) shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the Calculation Agent will calculate the par value of the Trust Certificates and such affected series of securities. In any such case where a Calculation Agent is appointed, the same Person will be appointed as the Calculation Agent for the Trust Certificates and each other affected series of securities for these purposes, and the same methodology will be promulgated for each affected series of securities.

(h) ***Manifest error, etc.:***

The Trust Certificates, these Conditions and the provisions of the Declaration of Trust or any other Transaction Document can only be amended by the Government and the Trustee with the prior written consent of the Delegate and the Delegate may agree, without the consent of Certificateholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions of the Trust Certificates, these Conditions, the Declaration of Trust or any other Transaction Document or determine, without any such consent or sanction as aforesaid, that any Dissolution Event or Potential Dissolution Event shall not be treated as such if, in the opinion of the Delegate:

(i) such modification is of a formal, minor or technical nature; or

(ii) such modification is made to correct a manifest error; or

(iii) such modification, waiver, authorisation or determination is not, in the sole opinion of the Delegate, materially prejudicial to the interests of Certificateholders and is other than in respect of a Reserved Matter,

provided that, in the case of (iii) above, no such modification, waiver, authorisation or determination may be made in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of Trust Certificates.

Any such modification, waiver, authorisation or determination may be made on such terms and subject to such conditions (if any) as the Delegate may determine, shall be binding upon the Certificateholders and shall as soon as practicable thereafter be notified by the Trustee to Certificateholders in accordance with Condition 18.

(i) ***Trust Certificates controlled by the Trustee or the Government***:

For the purposes of (a) determining the right to attend and vote at any meeting of Certificateholders, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, (b) this Condition 19 and (iii) Condition 15, any Trust Certificates

which are for the time being held by or on behalf of the Trustee, the Government of the Emirate of Sharjah, the Sharjah Finance Department, any other public sector instrumentality of the Government of the Emirate of Sharjah or by or on behalf of any Person which is owned or controlled directly or indirectly by the Trustee, the Government of the Emirate of Sharjah, the Sharjah Finance Department or by any other public sector instrumentality of the Government of the Emirate of Sharjah shall be disregarded and be deemed not to remain outstanding; where:

(i) "**public sector instrumentality**" means the Sharjah Finance Department, any Agency, any other department or ministry of the Government of the Emirate of Sharjah or any corporation, trust, financial institution or other entity owned or controlled by the Government of the Emirate of Sharjah or any of the foregoing; and

(ii) "**control**" means the power, directly or indirectly, through the ownership of voting securities or other ownership interests or through contractual control or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other Persons performing similar functions in lieu of, or in addition to, the board of directors of a corporation, trust, financial institution or other entity.

A Trust Certificate will also be deemed to be not outstanding if, in accordance with these Conditions, the Trust Certificate has previously been cancelled or delivered for cancellation or held for reissuance but not reissued, or, where relevant, the Trust Certificate has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Trustee or the Government (as the case may be) has previously satisfied its obligations to make all payments due in respect of the Trust Certificates in accordance with its terms.

In advance of any meeting of Certificateholders, or in connection with any Written Resolution, the Trustee or the Government (as the case may be) shall provide to the Delegate a copy of the certificate prepared pursuant to Condition 21(d) which includes information on the total number of Trust Certificates which are for the time being held by or on behalf of the Trustee, the Government, the Sharjah Finance Department or any other public sector instrumentality of the Government (as the case may be) or by or on behalf of any Person which is owned or controlled directly or indirectly by the Trustee, the Government of the Emirate of Sharjah, the Sharjah Finance Department or by any other public sector instrumentality of the Government (as the case may be) and, as such, such Trust Certificates shall be disregarded and deemed not to remain outstanding for the purposes of ascertaining the right to attend and vote at any meeting of Certificateholders or the right to sign, or authorise the signature of, any Written Resolution in respect of any such meeting. The Delegate shall make any such certificate available for inspection during normal business hours at its specified office and, upon reasonable request, will allow copies of such certificate to be taken.

(j) ***Publication:***

The Trustee or the Government (as the case may be) shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 20(g).

(k) ***Exchange and Conversion:***

Any Extraordinary Resolutions or Written Resolutions which have been duly passed and which modify any provision of, or action in respect of, these Conditions may be implemented at the Trustee's or the Government's (as the case may be) option by way of a mandatory exchange or conversion of the Trust Certificates and each other affected series of securities, as the case may be, into new *Shari'a* compliant securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Trust Certificates is notified to Certificateholders at the time notification is given to the Certificateholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Certificateholders.

20. **Aggregation Agent; Aggregation Procedures**

(a) ***Appointment:***

The Trustee or the Government (as the case may be) will appoint an aggregation agent (in such capacity, the "**Aggregation Agent**") to calculate whether a proposed modification or action has been approved by the required face amount outstanding of Trust Certificates and, in the case of a multiple series aggregation, by the required face amount of outstanding securities of each affected series of securities. In the case of a multiple series aggregation, the same Person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions or the Transaction Documents in respect of the Trust Certificates and in respect of the terms and conditions or securities documentation in respect of each other affected series of securities. The Aggregation Agent shall be independent of the Trustee and the Government.

(b) ***Extraordinary Resolutions:***

If an Extraordinary Resolution has been proposed at a duly convened meeting of Certificateholders to modify any provision of, or action in respect of, these Conditions and other affected series of securities, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the aggregate face amount of the outstanding Trust Certificates and, where relevant, each other affected series of securities, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

(c) ***Written Resolutions:***

If a Written Resolution has been proposed under these Conditions to modify any provision of, or action in respect of, these Conditions and the terms and conditions of other affected series of securities, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the aggregate face amount of the outstanding Trust Certificates and, where relevant, each other affected series of securities, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

(d) ***Certificate:***

For the purposes of Conditions 20(b) and 20(c), the Trustee and the Government will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 19(b), 19(c) or 19(d), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution. The certificate shall:

(i) list the total face amount of Trust Certificates and, in the case of a multiple series aggregation, the total face amount of each other affected series of securities outstanding on the Record Date; and

(ii) clearly indicate the Trust Certificates and, in the case of a multiple series aggregation, securities of each other affected series of securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 19(i) on the Record Date identifying the holders of the Trust Certificates and, in the case of a multiple series aggregation, securities of each other affected series of securities.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

(e) ***Notification:***

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 20 to be notified to the Delegate, the Trustee and the Government as soon as practicable after such determination. Notice thereof shall also promptly be given to the Certificateholders by the Trustee or the Government in accordance with Condition 18.

(f) ***Binding nature of determinations; no Liability:***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 20 by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Trustee, the Government, the Delegate and the Certificateholders and (subject as aforesaid) no Liability to any such Person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(g) ***Manner of publication:***

The Trustee and the Government will publish all notices and other matters required to be published pursuant to the Declaration of Trust including any matters required to be published pursuant to Conditions 15, Condition 19 and this Condition 20:

(i) through Euroclear, Clearstream Luxembourg and/or any other clearing system in which the Trust Certificates are held (as applicable);

(ii) in such other places and in such other manner as may be required by applicable law or regulation; and

(iii) in such other places and in such other manner as may be customary.

21. **Certificateholders' Committee**

(a) ***Appointment:***

(i) Holders of at least 25 per cent. of the aggregate face amount of all outstanding series of securities (taken in aggregate) issued by the Trustee or the Government (the "**Relevant Securities**") may, by notice in writing to the Trustee and the Government (with a copy to the Delegate), appoint any person or persons as a committee to represent the interests of such holders (as well as the interests of any holders of outstanding securities who wish to be represented by such a committee) if any of the following events has occurred:

(A) a Dissolution Event or a Potential Dissolution Event;

(B) any public announcement by the Trustee or the Government (as the case may be), to the effect that the Trustee or the Government (as the case may be) is seeking or intends to seek a rescheduling or restructuring of the Trust Certificates or any other Relevant Securities (whether by amendment, exchange offer or otherwise); or

(C) with the agreement of the Government, at a time when the Government has reasonably reached the conclusion that its debt may no longer be sustainable whilst the Trust Certificates or any other Relevant Securities are outstanding.

(ii) Upon receipt of a written notice that a committee has been appointed in accordance with Condition 21(a)(i) and a certificate delivered pursuant to Condition 21(d), the Government or the Trustee shall give notice of the appointment of such a committee to:

(A) the Delegate and all Certificateholders in accordance with Condition 18; and

(B) the holders of each series of Relevant Securities in accordance with the terms and conditions of each such series of Relevant Securities,

as soon as practicable after such written notice and such certificate are delivered.

(b) ***Powers:***

Such committee in its discretion may, among other things:

(i) engage legal advisers and financial advisers to assist it in representing the interests of the holders of all series of Relevant Securities (including the Certificateholders);

(ii) adopt such rules as it considers appropriate regarding its proceedings;

(iii) enter into discussions with the Trustee and/or the Government and/or other creditors of the Trustee and/or the Government; and

(iv) designate one or more members of the committee to act as the main point(s) of contact with the Trustee and/or the Government and provide all relevant contact details to the Trustee and/or the Government.

Except to the extent provided in this Condition 21(b), such committee shall not have the ability to exercise any powers or discretions which the holders of all series of Relevant Securities (including the Certificateholders) could themselves exercise.

(c) ***Engagement with the committee and provision of information:***

(i) Each of the Trustee and the Government shall:

(A) subject to paragraph (B) immediately below, engage with the committee in good faith;

(B) provide the committee with information equivalent to that required under Condition 19(f) and related proposals, if any, in each case as the same become available, subject to any applicable information disclosure policies, rules and regulations; and

(C) pay any reasonable fees and expenses of any such committee (including without limitation, the reasonable and documented fees and expenses of the committee's legal and financial advisers, if any) following receipt of reasonably detailed invoices and supporting documentation.

(ii) If more than one committee has been appointed by holders of one or more series of Relevant Securities in accordance with the provisions of this Condition 21 and/or equivalent provisions set out in the terms and conditions of any such Relevant Securities, neither the Trustee nor the Government shall be obliged to engage with such committees separately. Such committees may appoint a single steering group (to be comprised of representatives from such committees), whereupon the Trustee and the Government shall engage with such steering group.

(d) ***Certification:***

Upon the appointment of a committee, the person or persons constituting such a committee (the "**Members**") will provide a certificate to the Trustee, the Government and to the Delegate signed by the authorised representatives of the Members, and the Trustee, the Government and the Delegate may rely upon the terms of such certificate conclusively and without any Liability therefor.

The certificate shall certify:

(i) that the committee has been appointed;

(ii) the identity of the Members; and

(iii) that such appointment complies with the terms and conditions of the relevant securities documentation.

Promptly after any change in the identity of the Members, a new certificate which each of the Trustee, the Government and the Delegate may rely on conclusively (and without any Liability therefor), will be delivered to the Trustee, the Government and the Delegate identifying the new Members. Each of the Trustee, the Government and the Delegate will assume that the membership of the committee has not changed unless and until it has received a new certificate.

The provisions of this Condition 21(d) shall apply, *mutatis mutandis*, to any steering group appointed in accordance with Condition 21(c)(ii).

In appointing a person or persons as a committee to represent the interests of the Certificateholders, the Certificateholders may instruct a representative or representatives of the committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other series of Relevant Securities.

22. **Indemnification and Liability of the Delegate**

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

22.2 The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Government (acting in any capacity) under any Transaction Document and shall not under any circumstances have any Liability or be obliged to account to the Certificateholders in respect of any payment which should have been made by the Government (acting in any capacity), but is not so made, and shall not in any circumstances have any Liability arising from the Trust Assets other than as expressly provided in these Conditions or in the Declaration of Trust.

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

23. **Currency Indemnity**

The Specified Currency is the sole currency of account and payment for all sums payable by the Trustee under or in connection with the Trust Certificates, including damages. Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Certificateholder in respect of any sum expressed to be due to it from the Trustee shall only constitute a discharge to the Trustee to the extent of the Specified Currency amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that Specified Currency amount is less than the Specified Currency amount expressed to be due to the recipient under any Trust Certificate, the Trustee shall indemnify it against any loss sustained by it as a result. In any event, the Trustee shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 22, it will be sufficient for the Certificateholder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Trustee's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Certificateholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Trust Certificate or any other judgment or order.

24. **Further Issues**

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

25. **Contracts (Rights of Third Parties) Act 1999**

No Person shall have any right to enforce any term or condition of the Trust Certificates under the Contracts (Rights of Third Parties) Act 1999.

26. **Governing Law, Arbitration and Submission to Jurisdiction**

26.1 ***Governing Law***: The Declaration of Trust (including these Conditions), the Agency Agreement, the Servicing Agency Agreement, the Master Murabaha Agreement, the Purchase Undertaking, the Sale and Substitution Undertaking and the Trust Certificates and any non-contractual obligations arising out of or in connection with the same are and shall be governed by, and construed in accordance with, English law.

26.2 ***Arbitration***: The Delegate, the Trustee and the Government have in the Declaration of Trust agreed that, subject to the provisions of Condition 26.3, any dispute, claim, difference or controversy arising out of, relating to or having connection with the Declaration of Trust and/or the Trust Certificates (which includes these Conditions and this Condition 26.2 (including any dispute as to their existence, validity, interpretation, performance, breach or termination of the Declaration of Trust or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the Arbitration Rules of the LCIA (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 26. For these purposes:

(a) the seat of arbitration shall be London;

(b) there shall be three arbitrators, each of whom shall be an attorney experienced in international securities transactions. The claimant(s), irrespective of number, shall nominate jointly one arbitrator; the respondent(s), irrespective of number, shall nominate jointly the second arbitrator, and a third arbitrator (who shall act as presiding arbitrator) shall be nominated by the arbitrators nominated by or on behalf of the claimant(s) and respondent(s) or, in the absence of agreement on the third arbitrator within 30 days of the date of nomination of the later of the two party-nominated arbitrators to be nominated, the third arbitrator shall be chosen by the LCIA Court (as defined in the Rules); and

(c) the language of the arbitration shall be English.

26.3 ***Option to Litigate***: Notwithstanding the agreement described in Condition 26.2, the Delegate may, in the alternative and at its sole discretion, by notice in writing to the Trustee and the Government in accordance with the Declaration of Trust:

(a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or

(b) if no arbitration has commenced,

require that the Dispute be heard by a court of law (a "**Notice to Litigate**"). If the Delegate gives a Notice to Litigate, the Dispute to which such notice refers shall be determined in the manner described in Condition 26.4 and any arbitration commenced under Condition 26.2 in respect of that

Dispute will be terminated. Each of the parties to the terminated arbitration will bear its own costs in relation thereto (other than the Delegate whose costs will be borne by the Government).

26.4 ***Effect of exercise of option to litigate***: If a Notice to Litigate is given pursuant to Condition 26.3, the following provisions shall apply:

(a) subject to paragraph (c) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and each of the Trustee and the Government have in the Declaration of Trust submitted to the exclusive jurisdiction of such courts;

(b) each of the Trustee and the Government have agreed that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary; and

(c) this Condition 26.4 is for the benefit of the Delegate for and on behalf of the Certificateholders only. As a result, and notwithstanding paragraphs (a) and (b) above, the Delegate may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction and, to the extent allowed by law, may take concurrent Proceedings in any number of jurisdictions.

27. **Waiver of Immunity**

Under the Declaration of Trust, the Government has agreed that, to the extent that it may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal or arbitral proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, it will not claim and has irrevocably and unconditionally waived such immunity to the full extent permitted by the laws of that jurisdiction in relation to any Proceedings or Disputes. Further, the Government has irrevocably and unconditionally consented to the giving of any relief or the issue of any legal or arbitral proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any Proceedings or Disputes.

28. **Waiver of Interest:**

28.1 Each of the Trustee, the Government and the Delegate has in the Declaration of Trust irrevocably agreed that no interest will be payable or receivable under or in connection therewith and each party agrees that it will not claim any interest in respect of any proceedings brought by or on behalf of a party under the Declaration of Trust, any other Transaction Document or these Conditions.

28.2 If it is determined that any interest is payable or receivable in connection therewith by a party, whether as a result of any arbitral award or by operation of any applicable law or otherwise, such party has agreed to waive any rights it may have to claim or receive such interest and has agreed that if any such interest is actually received by it, it shall promptly donate the same to a registered or otherwise officially recognised charitable organisation.

28.3 For the avoidance of doubt, nothing in this Condition 28 shall be construed as a waiver of rights in respect of any Periodic Distribution Amounts, Rentals, Dissolution Amounts, Exercise Price, Certificateholder Put Right Exercise Price or profit or principal or other amount payable of any kind howsoever described payable by the Government (in any capacity) or the Trustee (in any capacity) pursuant to the Transaction Documents and/or these Conditions, howsoever such amounts may be described or re-characterised by way of arbitral tribunal.

29. **Agent for Service of Process**

Each of the Government and the Trustee has irrevocably appointed Maples and Calder at its registered office at 11th Floor, 200 Aldersgate Street, London, EC1A 4HD, United Kingdom as its authorised agent for service of process in relation to any Dispute or Proceedings in England. If for any reason such agent shall cease to be such agent for service of process, the Government and/or the Trustee (as applicable) shall forthwith appoint a new agent for service of process in England and notify the Delegate and the Certificateholders of such appointment (in accordance with Condition 18) within 30 days. Nothing herein shall affect the right to serve process in any other manner permitted by law.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Principal Paying Agent (as defined in the Conditions). Words and expressions defined in the Conditions shall have the meanings in this summary.

The Master Declaration of Trust

The Master Declaration of Trust was entered into on 20 March 2019 between the Trustee, the Government and the Delegate and is governed by English law. Pursuant to the Master Declaration of Trust, a Supplemental Declaration of Trust between the same parties will be entered into on the Issue Date of each Tranche of Trust Certificates and will also be governed by English law.

Upon issue of the relevant Trust Certificates of any Series, the Master Declaration of Trust and the relevant Supplemental Declaration of Trust shall together constitute the trust over the relevant Trust Assets declared by the Trustee in relation to such Tranche.

The Trust Assets in respect of each Tranche of Trust Certificates comprise, *inter alia*, the Trustee's rights, title and interest, present and future in, to and under the Relevant Lease Asset(s), its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents and all monies standing to the credit of the relevant Transaction Account from time to time.

Pursuant to the Declaration of Trust, the Trustee will agree to act for and on behalf of the Certificateholders and, *inter alia*, in relation to each Tranche of Trust Certificates:

(a) hold the relevant Trust Assets on trust absolutely for the Certificateholders as beneficial tenants in common *pro rata* according to the face amount of Trust Certificates held by each Certificateholder; and

(b) act as trustee in respect of such Trust Assets, distribute the income from such Trust Assets and perform its duties in accordance with the provisions of the Declaration of Trust.

Each Declaration of Trust will specify, *inter alia*, that in relation to each Tranche.

(a) there shall be no claim or recourse against the Trustee in respect of any amount which is or remains unsatisfied, to the extent the Trust Assets have been exhausted, following which any unsatisfied claims against the Trustee will be extinguished;

(b) the Trustee may from time to time (but always subject to the provisions of the Master Declaration of Trust), without the consent of the Certificateholders, create and issue additional Trust Certificates having the same terms and conditions as the outstanding Trust Certificates of such Series (or terms and conditions that are the same in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue), and so that the same shall be consolidated and form a single series, with the outstanding Trust Certificates of such Series, and that any additional Trust Certificates which are to be created and issued so as to form a single series with the outstanding Trust Certificates of a particular Series previously constituted by the Trustee shall be constituted by a declaration of trust supplemental to the Master Declaration of Trust; and

(c) on the date upon which any Supplemental Purchase Agreement is entered into in connection with the creation and issuance of additional Trust Certificates pursuant to the provisions described in sub-paragraph (b) above and the Master Purchase Agreement (being the relevant Issue Date for that Tranche of additional Trust Certificates), the Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Trust Certificates and the holders of such additional Trust Certificates so created and issued, declaring that the relevant Additional Asset(s) and the Lease Asset(s) in respect of the relevant Series as in existence immediately prior to the creation and issue of the additional Trust Certificates are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Trust Certificates and the holders of such additional Trust Certificates as tenants in common *pro rata* according to the face amount of Trust Certificates held by each Certificateholder, in accordance with the Declaration of Trust.

In the Declaration of Trust, the Trustee will irrevocably and unconditionally appoint the Delegate to *inter alia* exercise all of the present and future powers, trusts, rights, authorities and discretions (including but not limited to the authority to request instructions from any Certificateholders and the power to sub-delegate and to make any determinations to be made under the Declaration of Trust) vested in the Trustee by the relevant provisions of the Declaration of Trust. The appointment of the Delegate by the Trustee is intended to be in the interests of the Certificateholders and, subject as provided in the Declaration of Trust, does not affect the Trustee's continuing role and obligations as trustee.

In each Declaration of Trust the Delegate will undertake that, *inter alia,* if it has actual knowledge or express notice pursuant to the Declaration of Trust of the occurrence of a Dissolution Event in respect of any Trust Certificates and subject to Condition 15: (i) it shall, as soon as reasonably practicable notify the Certificateholders of the occurrence of such Dissolution Event in accordance with Condition 18; and (ii) if so requested in writing by Certificateholders representing not less than 25 per cent. in aggregate face amount of the Trust Certificates for the time being outstanding (subject to being indemnified and/or secured and/or prefunded to its satisfaction), or if the Delegate decides in its discretion, it shall give notice to the Trustee, the Government and the Certificateholders in accordance with Condition 18 that the Trust Certificates are to be redeemed on the Dissolution Event Redemption Date specified in such notice at the Dissolution Event Amount, together with all unpaid Periodic Distribution Amounts (if any) accrued to (but excluding) the Dissolution Event Redemption Date.

A *Shari'a*-compliant (or otherwise non-interest bearing) Transaction Account will be established in respect of each Series of Trust Certificates. Monies received in the Transaction Account in respect of each Series will, *inter alia*, comprise: (i) payments from the Government (in its capacity as lessee) under the Lease Agreement (see "*Summary of the Principal Transaction Documents — Lease Agreement*" below); and (ii) the Exercise Price or Certificateholder Put Right Exercise Price, as applicable, received from the Government (in its capacity as purchaser) under the relevant Sale Agreement (see "*Summary of the Principal Transaction Documents — Purchase Undertaking*" and "*Summary of the Principal Transaction Documents — Sale and Substitution Undertaking*" below). The Master Declaration of Trust provides that all monies credited to the Transaction Account in respect of each Series will be applied in the order of priority set out in Condition 5.2.

In the Master Declaration of Trust, the Government will undertake that, *inter alia*, it will immediately upon demand (but without any double counting): (a) make payment to the Trustee or the Delegate (as applicable) (each acting for and on behalf of the Certificateholders) of an amount equal to the Purchase Price (as defined in the relevant Supplemental Purchase Agreement) in respect of any Initial Defective Sale by way of restitution and (b) indemnify fully the Trustee or the Delegate (as applicable) (each acting for and on behalf of the Certificateholders) for the relevant Exercise Price (or Certificateholder Put Right Exercise Price, as the case may be) expressed to be due and payable under, the Purchase Undertaking or the Sale and Substitution Undertaking, as applicable, at the relevant time if, as a result of either an Initial Defective Sale or a Subsequent Defective Sale, the Trustee or the Delegate (as applicable) is unable to realise in full, or does not actually receive in full, the relevant Exercise Price (or Certificateholder Put Right Exercise Price, as the case may be) which is expressed to be due and payable under either the Purchase Undertaking or the Sale and Substitution Undertaking, as applicable, at the relevant time.

For this purpose, an "**Initial Defective Sale**" will occur if the sale, purchase, transfer and conveyance of any rights, title, and interest in, to and under any of the relevant Asset(s) or Additional Asset(s), as applicable (each as defined in the relevant Supplemental Purchase Agreement) from the Government (acting in its capacity as seller) to the Trustee (acting in its capacity as purchaser) under the relevant Purchase Agreement is not valid or effective, or becomes invalid or ineffective, in whole or in part, in any jurisdiction for any reason, and a "**Subsequent Defective Sale**" will occur if the sale, purchase, transfer and conveyance of any of the Trustee's rights, title and interest, in, to and under, *inter alia*, the Relevant Lease Asset(s) (or proportion thereof, as the case may be) pursuant to the exercise of the Purchase Undertaking or the Sale and Substitution Undertaking, as applicable, is not valid or effective, or becomes invalid or ineffective, in whole or in part, in any jurisdiction for any reason, including without limitation, by reason of any Initial Defective Sale.

Master Purchase Agreement

The Master Purchase Agreement was entered into on 20 March 2019 between Sharjah Sukuk Programme Limited (in its capacity as Trustee and purchaser) and the Government (in its capacity as seller) and is governed by the laws of Sharjah. A Supplemental Purchase Agreement between the same parties will be entered into on the Issue Date of the relevant Tranche (including any additional Tranche of Trust

Certificates issued pursuant to Condition 24 (an "**Additional Tranche**")) of Trust Certificates and will also be governed by the laws of Sharjah.

Pursuant to the Purchase Agreement, the Government (in its capacity as seller) may sell, transfer and convey to the Trustee (in its capacity as purchaser), and the Trustee may purchase and accept the transfer and conveyance from the Government of all of the Government's rights, title and interests in, to and under the relevant Asset(s) (in the case of any Additional Tranche, the "**Additional Asset(s)**"). The Asset(s) or the Additional Asset(s), as applicable, will comprise on the Issue Date of the relevant Tranche those assets described in the Schedule to the Supplemental Purchase Agreement.

Pursuant to the relevant Supplemental Purchase Agreement, the Government (in its capacity as seller) will undertake, to the extent that the sale and purchase, transfer or conveyance of its rights, title and interests in, to and under the/any Asset(s) or Additional Asset(s) (as the case may be) is not (or is alleged not to be) effective in any jurisdiction for any reason and the Exercise Price (or the Certificateholder Put Right Exercise Price, as the case may be) payable pursuant to the Sale and Substitution or Purchase Undertaking, as the case may be, is not paid in full when due, to:

(a) make payment of an amount equal to the Purchase Price (or relevant part thereof) by way of restitution to the Trustee (in its capacity as purchaser) immediately upon request; and/or

(b) indemnify fully the Trustee for the purpose of redemption of the outstanding Trust Certificates of the relevant Series (or the Certificateholder Put Right Trust Certificates, as the case may be, and as defined in the Purchase Undertaking) and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price (or the Certificateholder Put Right Exercise Price, as the case may be),

in each case, without duplication or double counting.

Master Lease Agreement

The Master Lease Agreement was amended and restated on 20 March 2019 between Sharjah Sukuk Programme Limited (in its capacity as Trustee and as lessor) and the Government (in its capacity as lessee) and the Delegate and is governed by the laws of Sharjah. A Supplemental Lease Agreement between the same parties will be entered into on the Issue Date of each Tranche of Trust Certificates (and in the circumstances described in the Purchase Undertaking, Sale and Substitution Undertaking and the Servicing Agency Agreement (*see* "*Summary of the Principal Transaction Documents — Purchase Undertaking*", "*Summary of the Principal Transaction Documents — Sale and Substitution Undertaking*" *and,* "*Summary of the Principal Transaction Documents — Servicing Agency Agreement*")) will also be governed by the laws of Sharjah.

Pursuant to the Lease Agreement, the Trustee (in its capacity as lessor) may lease to the Government (in its capacity as lessee), and the Government may lease from the Trustee, the Relevant Lease Asset(s) during renewable Rental Periods commencing on the Lease Commencement Date (each such expression having the meaning given to it in the relevant Lease Agreement) and extending to the Scheduled Dissolution Date of the relevant Series of Trust Certificates (unless the relevant Supplemental Lease Agreement is terminated earlier in accordance with its terms or extended until the payment of any Outstanding Exercise Price in accordance with the Purchase Undertaking (and as defined therein)).

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

Under the Supplemental Lease Agreement, the Government (in its capacity as lessee) will agree to be responsible, at its own cost and expense, for the performance of all Ordinary Maintenance and Repair (as defined in the Master Lease Agreement) required for any Relevant Lease Asset(s). The Trustee (in its capacity as lessor) shall be responsible for: (i) the performance of all Major Maintenance and Structural Repair (as defined in the Master Lease Agreement); (ii) the payment of any proprietorship or other relevant

Taxes (as defined in the Master Lease Agreement) (excluding all Taxes that are by law imposed, charged or levied against a lessee or a tenant); and (iii) insuring any Relevant Lease Asset(s) in accordance with the terms of the Servicing Agency Agreement, and the Government (as lessee) will acknowledge that the Trustee (as lessor) may procure that the Servicing Agent, in accordance with the terms and conditions set out in the Servicing Agency Agreement, shall perform, or shall procure the performance of, Major Maintenance and Structural Repair, the payment of such Taxes and the insurance of such Relevant Lease Asset(s), on behalf of the Trustee (in its capacity as lessor).

All payments by the Government (as lessee) to the Trustee (as lessor) under a Lease Agreement shall be made free and clear of, and without any deduction or withholding, for any Taxes, unless required by law and without set-off (save as provided below) or counterclaim of any kind and, in the event that there is any such deduction or withholding, the Government (as lessee) will agree under the relevant Supplemental Lease Agreement to pay such additional amounts as will result in the receipt by the Trustee (as lessor) of such amounts as would have been received by it if no such deduction or withholding had been required.

An amount equal to: (i) the Supplementary Rental (if any) (as defined in the relevant Supplemental Lease Agreement) payable by the Government (in its capacity as lessee) as (or as part of any) Rental; and (ii) any Service Charge Amounts to be paid by the Trustee (in its capacity as lessor) to the Servicing Agent pursuant to the Servicing Agency Agreement, shall be set off against one another. The payment obligations of the Government (in its capacity as lessee) under any Lease Agreement are and will be direct, unsubordinated, (subject to the negative pledge provisions described in the Purchase Undertaking) unsecured obligations of the Government (in its capacity as lessee) and rank and (subject to the negative pledge provisions described in the Purchase Undertaking) will rank *pari passu*, without any preference among themselves, with all other Relevant Indebtedness of the Government (as lessee), from time to time outstanding, **provided, further, that** the Government (as lessee) shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Relevant Indebtedness and, in particular, shall have no obligation to pay other Relevant Indebtedness at the same time or as a condition of paying sums due under the relevant Supplemental Lease Agreement and *vice versa*.

The Government (in its capacity as lessee) will agree to indemnify the Trustee (as lessor) for any losses arising out of or in connection with any breach by the Government of its obligations under any Lease Agreement.

"**Relevant Indebtedness**" means any present or future indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities (including *Shari'a*-compliant certificates) which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

Purchase Undertaking

The Purchase Undertaking was amended and restated on 20 March 2019 by the Government (in its capacity as obligor) as a deed in favour of the Trustee and the Delegate and is governed by English law.

The Government (in its capacity as obligor) has irrevocably undertaken in favour of the Trustee and the Delegate to purchase all of the Trustee's rights, title and interests in, to and under the Relevant Lease Asset(s) (or proportion thereof, as the case may be) for each Series of Trust Certificates on the relevant Scheduled Dissolution Date or, if earlier, on the Dissolution Event Redemption Date or the Certificateholder Put Right Date (if a Certificateholder Put Right is specified as applicable in the applicable Final Terms), of the relevant Series of Trust Certificates. The Exercise Price or Certificateholder Put Right Exercise Price (as the case may be) payable by the Government (as obligor) shall be equal to the aggregate face amount of the Trust Certificates (or Certificateholder Put Right Trust Certificates, as the case may be) then outstanding for the relevant Series plus all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Trust Certificates (or Certificateholder Put Right Trust Certificates, as the case may be) plus, without duplication or double counting, if all of the Trust Certificates of the relevant Series are being redeemed in full, an amount representing any amounts payable by Sharjah Sukuk Programme Limited (in any capacity) under the Transaction Documents to which it is a party (including but not limited to, if all of the Trust Certificates of the relevant Series are being redeemed in full, an amount equal to any Service Charge Amounts in respect of which an appropriate Supplementary Rental payment has not been made in accordance with, and as defined in, the relevant Supplemental Lease Agreement) **provided that**, in the case of any amounts payable pursuant to Condition 5.2(a), the Government has received a notification from the Delegate of such amounts by not later than the third Business Day prior to the date on which the Exercise Notice is delivered, plus, without duplication or double counting any other amounts payable on redemption

of the Trust Certificates (or the Certificateholder Put Right Trust Certificates, as the case may be) as specified in the applicable Final Terms.

The specific terms applicable to each such sale will be confirmed in a Sale Agreement, to be executed by Sharjah Sukuk Programme Limited (in its capacity as seller) and the Government (in its capacity as purchaser) on the relevant Scheduled Dissolution Date, the Dissolution Event Redemption Date or Certificateholder Put Right Date (as the case may be). The form of each such Sale Agreement is scheduled to the Purchase Undertaking. In the case of an exercise of the Certificateholder Put Right only (save where the Trust Certificates of the relevant Series are being redeemed in full), the Government (in its capacity as Lessee) shall also enter into a replacement Supplemental Lease Agreement with the Trustee (in its capacity as lessor) on the terms and subject to the conditions set out in the relevant Exercise Notice. The relevant Exercise Notice shall provide that the Relevant Lease Asset(s), excluding the Certificateholder Put Right Lease Asset(s), will be leased to the Government (in its capacity as lessee) under the replacement Supplemental Lease Agreement. Each Sale Agreement and/or replacement Supplement Lease Agreement shall be governed by the laws of the Emirate of Sharjah.

The Government (in its capacity as obligor) has covenanted in the Purchase Undertaking that it will irrevocably and unconditionally fully accept all or any ownership interest the Trustee has in the Relevant Lease Asset(s) (including any Certificateholder Put Right Lease Asset(s), as the case may be) and, if the Government does not fulfil such covenant or if that ownership interest is disputed or challenged, will fully indemnify the Trustee for the purpose of redemption in full of the relevant Series of Trust Certificates (or the Certificateholder Put Right Trust Certificates, as the case may be) and, accordingly, the amount payable under such indemnity will equal the relevant Exercise Price (or Certificateholder Put Right Exercise Price, as the case may be).

The Government (in its capacity as obligor) will also agree in the Purchase Undertaking that all payments by it under the Purchase Undertaking and the relevant Sale Agreement will be made without any deduction or withholding for Taxes unless required by law and without set-off (save as provided below) or counterclaim of any kind and, in the event that there is any deduction or withholding, the Government (as obligor) shall pay such additional amounts as will result in the receipt by the Trustee of such amounts as would have been received by it had no withholding or deduction had been required.

The amount equal to the Service Charge Amounts to be paid by the Government as part of the Exercise Price or Certificateholder Put Right Exercise Price (as the case may be) payable pursuant to the Purchase Undertaking and any Service Charge Amounts to be paid by the Trustee (in its capacity as lessor) under the Servicing Agency Agreement which has not been paid by way of a payment of Supplementary Rental under the relevant Supplemental Lease Agreement (and as defined therein) shall be set off against one another.

The payment obligations of the Government under the Purchase Undertaking are direct, unconditional, unsubordinated and (subject to the negative pledge provisions described below) unsecured obligations of the Government and rank and (subject to the negative pledge provisions described below) will rank *pari passu*, without any preference among themselves, with all other Relevant Indebtedness of the Government, from time to time outstanding, **provided, further, that** the Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Relevant Indebtedness and, in particular, shall have no obligation to pay other Relevant Indebtedness at the same time or as a condition of paying sums due under the Purchase Undertaking and *vice versa*.

Under the Purchase Undertaking, the Government has undertaken that, so long as any Trust Certificate remains outstanding (as defined in the Declaration of Trust), the Government (acting in any capacity) will not create and will ensure that no Agency will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (any of the foregoing, a "**Lien**"), upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to its obligations under the Transaction Documents the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution; **provided, however, that** the foregoing shall not apply to any Lien solely incurred for the purpose of financing all or a part of the costs of the acquisition, construction or development of a project, **provided that** the property over which such Lien is granted consists solely of the assets and revenues of such project (including, without limitation, royalties and other similar payments accruing to the Government and/or such Agency (as applicable) generated by the relevant project).

In addition, the Government has agreed that certain events or circumstances shall constitute a "**Government Event**" (as defined in the Conditions).

Sale and Substitution Undertaking

The Sale and Substitution Undertaking was executed on 20 March 2019 by Sharjah Sukuk Programme Limited (in its capacity as Trustee) as a deed in favour of the Government and is governed by English law.

Pursuant to the Sale and Substitution Undertaking, subject to the Trustee being entitled to redeem the relevant Series of Trust Certificates pursuant to Conditions 11.2 or 11.5, as specified in the applicable Final Terms, the Government may, by exercising its option under the Sale and Substitution Undertaking and serving notice on Sharjah Sukuk Programme Limited no later than 15 days prior to the commencement of the minimum period of notice specified in the Conditions or applicable Final Terms for the group notice to Certificateholders and notice to the Delegate in connection with the exercise of such option, oblige the Trustee to sell, transfer and convey all the Trustee's rights, title and interests in, to and under the Relevant Lease Asset(s) on the Optional Dissolution Date or Clean Up Call Right Dissolution Date (as the case may be). The Exercise Price payable by the Government will be an amount equal to the aggregate face amount of Trust Certificates then outstanding for the relevant Series plus all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Trust Certificates plus, without duplication or double counting, an amount representing any amounts payable by Sharjah Sukuk Programme Limited (in any capacity) under the Transaction Documents to which it is a party (including but not limited to, an amount equal to any Service Charge Amounts in respect of which an appropriate Supplementary Rental payment has not been made in accordance with the relevant Supplemental Lease Agreement), **provided that**, in the case of any amounts payable pursuant to Condition 5.2(a), the Government has received a notification from the Delegate of such amounts by not later than the third Business Day prior to the date on which the Exercise Notice is delivered, plus, without duplication or double counting, any other amounts payable on redemption of the Trust Certificates as specified in the applicable Final Terms. The transfer of the Relevant Lease Asset(s) will take effect by the Government (in its capacity as purchaser) and the Trustee (in its capacity as seller) entering into a Sale Agreement (in the form scheduled to the Sale and Substitution Undertaking).

The payment obligations of the Government (in its capacity as purchaser) under the relevant Sale Agreement are direct, unconditional, unsubordinated, (subject to the negative pledge provisions described above) unsecured obligations of the Government and rank and (subject to the negative pledge provisions described below) will rank *pari passu*, without any preference among themselves, with all other Relevant Indebtedness of the Government, from time to time outstanding, **provided, further, that** the Government shall have no obligation to effect equal or rateable payment(s) at any time with respect to any such other Relevant Indebtedness and, in particular, shall have no obligation to pay other Relevant Indebtedness at the same time or as a condition of paying sums due under the relevant Sale Agreement and *vice versa*.

The relevant Sale Agreement will provide that the Exercise Price payable pursuant to the exercise of the Sale and Substitution Undertaking will be made without any deduction or withholding for Taxes, unless required by law and without set-off (save as provided below) or counterclaim of any kind and, in the event that there is any deduction or withholding, the Government (in its capacity as purchaser) shall pay such additional amounts as will result in the receipt by the Trustee (in its capacity as seller) of such amounts as would have been received by it if no withholding or deduction had been required. The amount equal to any Service Charge Amounts to be paid by the Government as part of any Exercise Price, which has not been paid by way of a Supplementary Rental payment under the Supplemental Lease Agreement, payable pursuant to the exercise of the Sale and Substitution Undertaking and any Service Charge Amounts to be paid by Sharjah Sukuk Programme Limited (in its capacity as lessor) under the Servicing Agency Agreement shall be set off against one another.

The relevant Sale Agreement will provide that if the Government (as purchaser) fails to pay all or part of any Exercise Price that is due in accordance therewith and the Sale and Substitution Undertaking, any purported exercise of the Government's rights granted under the Sale and Substitution Undertaking (as described above) shall be void and of no effect.

In addition, under the terms of the Sale and Substitution Undertaking, if at any time the Government wishes to cancel any Trust Certificates (the "**Cancelled Lease Asset(s)**") purchased pursuant to Condition 12.1, the Government may, by exercising its option under the Sale and Substitution Undertaking (by serving a Cancellation Notice on the Trustee) oblige the Trustee to transfer all of its rights, title and interests in, to and under the Cancelled Lease Asset(s) to the Government in consideration for which the cancelled Trust Certificates shall be cancelled. The transfer of the Cancelled Lease Asset(s) will take effect by the

Government (in its capacity as purchaser) and the Trustee (in its capacity as seller) entering into a Sale Agreement (in the form scheduled to the Sale and Substitution Undertaking). Following the entry into such Sale Agreement, Trustee shall forthwith surrender to the Registrar the relevant Trust Certificates identified for cancellation in the Cancellation Notice on the Cancellation Date (each as defined in the Sale and Substitution Undertaking). In addition, (save where the Trust Certificates of the relevant Series are being cancelled in full), the Government (in its capacity as lessee) shall also enter into a replacement Supplemental Lease Agreement with the Trustee (in its capacity as lessor) on the terms and subject to the conditions set out in the relevant Cancellation Notice. The Cancellation Notice shall provide that any Relevant Lease Asset(s) not cancelled will be leased to the Government (in its capacity as lessee) under the replacement Supplemental Lease Agreement.

Furthermore, pursuant to the terms of the Sale and Substitution Undertaking, the Trustee has granted to the Government the right to require the Trustee to sell all of its rights, title and interests in, to and under the Substituted Lease Asset(s) (as defined in the Sale and Substitution Undertaking) to it in exchange for delivery to the Trustee of New Asset(s) (as defined in the Sale and Substitution Undertaking) of a value (as determined by the relevant internal Government valuation of the New Asset(s) on the relevant Substitution Date (as defined in the Sale and Substitution Undertaking)) which is equal to or greater than the value (as determined by reference to the relevant internal Government valuation on the date on which the Substituted Lease Asset(s) was/were acquired by the Trustee) of the Substituted Lease Asset(s).

The substitution of the Substituted Lease Asset(s) with the New Asset(s) will become effective on the Substitution Date (as specified in the Substitution Notice to be delivered by the Government in accordance with the Sale and Substitution Undertaking and each as defined in the Sale and Substitution Undertaking) by the Trustee (in its capacity as seller) and the Government (in its capacity as purchaser entering into a Sale Agreement and the relevant replacement Supplemental Lease Agreement being executed in the manner provided for in the Substitution Notice. The Sale Agreement will effect the transfer of ownership rights in the Substituted Lease Asset(s) from the Trustee to the Government and the Substitution Notice will provide that the New Asset(s) and any Relevant Lease Asset(s) not replaced will be leased to the Government (in its capacity as lessee) under the replacement Supplemental Lease Agreement.

Each Sale Agreement and/or replacement Supplemental Lease Agreement shall be governed by the laws of Sharjah.

Servicing Agency Agreement

The Servicing Agency Agreement was amended and restated on 20 March 2019 by the Trustee (in its capacity as lessor and the Government (in its capacity as servicing agent), and is governed by English law.

Pursuant to the Servicing Agency Agreement, the Government (as servicing agent) will be responsible on behalf of the Trustee (as lessor) for the carrying out of all Major Maintenance and Structural Repair (as defined in the Master Lease Agreement), the payment of Proprietorship Taxes (as defined in the Servicing Agency Agreement) (if any) charged, levied or claimed on the Relevant Lease Asset(s) and for effecting all appropriate Insurances in respect of the Lease Asset(s). If a Total Loss Event occurs, the Servicing Agent shall be responsible for ensuring that all proceeds of Insurances in respect thereof (if any) are each paid in the Specified Currency directly into the Transaction Account by no later than the 30th day after the occurrence of the Total Loss Event.

The Servicing Agency Agreement provides that if on the occurrence of a Total Loss Event the Servicing Agent receives notice from the Government that the Replacement Lease Asset(s) (as defined in the Servicing Agency Agreement) is/are available on or before the 30th day after the occurrence of the Total Loss Event, the Trustee shall purchase such Replacement Lease Assets from the Government by way of the payment by the Government (in its capacity as Servicing Agent) on behalf of the Trustee of the proceeds of the Insurances (or the assignment of the rights to such proceeds) to or to the order of the Government and the transfer to the Government by the Trustee of any residual interest it may hold in the Relevant Lease Asset(s) (including any remaining rights in respect of any proceeds of the Insurances), in each case, on the terms and subject to the conditions of an agreement substantially in the form of a Supplemental Purchase Agreement in consideration for the sale, transfer and conveyance by the Government of the Replacement Lease Asset(s) to the Trustee.

The replacement of the Relevant Lease Asset(s) with the Replacement Lease Asset(s) shall be subject to a replacement Supplemental Lease Agreement being entered into between the Government (in its capacity as

lessee) and the Trustee (in its capacity as lessor) which shall specify the details of the Replacement Lease Asset(s).

If a Total Loss Event occurs and the Relevant Lease Asset(s) are not replaced as discussed above, the occurrence of a Total Loss Event will result in the redemption of the Trust Certificates of that Series and the consequent dissolution of the relevant Trust no later than the 31st day of after the occurrence of such Total Loss Event (being the "**Total Loss Dissolution Date**").

If the amount of the proceeds of Insurances (if any) credited to the Transaction Account (as described above) is less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount credited to the Transaction Account being the "**Total Loss Shortfall Amount**"), the Servicing Agent shall be responsible for paying the Total Loss Shortfall Amount directly into the Transaction Account by no later than close of business in London on the 30th day after the Total Loss Event has occurred, such that the amount standing to the credit of the Transaction Account on the Total Loss Dissolution Date represents the aggregate of the proceeds of Insurances payable in respect of a Total Loss Event (if any) and the Total Loss Shortfall Amount payable by the Servicing Agent in accordance with the terms of the Servicing Agency Agreement.

Master Murabaha Agreement

The Master Murabaha Agreement was amended and restated on 20 March 2019 by the Government, acting as buyer (the "**Buyer**") and the Trustee, acting as seller (the "**Seller**") and is governed by English law.

Pursuant to the Master Murabaha Agreement, the Seller may agree and undertake that, on receipt of a Purchase Order from the Buyer, the Seller may on the Issue Date for the relevant Tranche and on the terms set out in the Purchase Order enter into commodity purchase transactions by no later than the Issue Date with the Supplier for Purchase (as defined in the Master Murabaha Agreement) to purchase commodities at the Commodity Purchase Price (as defined in the Master Murabaha Agreement). Following the purchase of the commodities by the Seller from the Supplier for Purchase, and **provided that** the Seller has acquired title to, and actual or constructive possession of, the commodities, the Seller shall deliver to the Buyer by no later than the Issue Date a Letter of Offer and Acceptance indicating the Seller's acceptance of the terms of the Purchase Order made by the Buyer and detailing the terms of the offer for the sale of the commodities to the Buyer from the Seller by no later than the Issue Date.

Pursuant to the Master Murabaha Agreement, the Buyer shall irrevocably and unconditionally undertake to accept the terms of, countersign and deliver to the Seller any Letter of Offer and Acceptance (as defined in the Master Murabaha Agreement) delivered to it in accordance with the Master Murabaha Agreement and (as a result of the Seller having acted on the request of the Buyer set out in the Purchase Order) purchase the commodities acquired by the Seller for the Deferred Sale Price.

As soon as the Buyer has countersigned the Letter of Offer and Acceptance, a murabaha contract shall be created between the Seller and the Buyer upon the terms of the Letter of Offer and Acceptance and incorporating the terms and conditions set out in the Master Murabaha Agreement, the Seller shall sell and the Buyer shall buy the commodities on the terms set out in the Letter of Offer and Acceptance and ownership of and all risks in and to the relevant commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto.

Shari'a Compliance

Each Transaction Document provides that each of Sharjah Sukuk Programme Limited and the Government of the Emirate of Sharjah, acting through the Sharjah Finance Department agrees that it has accepted the *Shari'a* compliant nature of the Transaction Documents to which it is a party and the transactions contemplated therein and further agrees that:

- it shall not claim that any of its obligations under the Trust Certificates and the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires*, not valid, legal, binding or enforceable or not compliant with the principles of Shari'a, regardless of any pronouncement by any *Shari'a* Committee, authority, institution or *Shari'a* adviser to that effect;

- it shall not take any steps or bring any proceedings in any forum to challenge the *Shari'a* compliance of the Trust Certificates or the Transaction Documents to which it is a party; and

- none of its obligations under the Trust Certificates and the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Trust Certificates or the Transaction Documents to which it is a party are not compliant with the principles of *Shari'a*.

TAXATION

The following is a general description of certain Cayman Islands and UAE tax considerations relating to the Trust Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Trust Certificates, whether in those jurisdictions or elsewhere. Prospective purchasers of Trust Certificates should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Trust Certificates and receiving payments under the Trust Certificates and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Cayman Islands

Under existing Cayman Islands laws, payments on Trust Certificates to be issued will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of the Trust Certificates, nor will gains derived from the disposal of the Trust Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance or gift tax.

Subject as set out below, no capital or stamp duties are levied in the Cayman Islands on the issue or redemption of Trust Certificates. However, an instrument transferring title to any Trust Certificates, if brought to or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty. An annual registration fee is payable by the Trustee to the Cayman Islands Registrar of Companies which is calculated by reference to the nominal amount of its authorised capital. At current rates, this annual registration fee is U.S.$853.66. The foregoing is based on current law and practice in the Cayman Islands and this is subject to change therein.

UAE Taxation

There is currently in force in the Emirates of Sharjah legislation establishing a general corporate taxation regime (the Sharjah Income Tax Decree 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future.

Under current legislation, there is no requirement for withholding or deduction for or on account of UAE or Sharjah taxation in respect of payments made by the Government and/or the Trustee under the Transaction Documents. If any such withholding or deduction is required to be made in respect of payments due by the Government under any Transaction Document to which it is party, the Trustee has undertaken in Condition 13 (*Taxation*) (failing whom, the Government) to gross-up the payments due by it accordingly. If any such withholding or deduction is required to be made in respect of payments due by the Trustee under the Trust Certificates: (i) the Trustee has undertaken to gross-up the payment(s) accordingly (subject to certain limited exceptions); and (ii) the Government has undertaken in the Declaration of Trust to pay such additional amounts to the Trustee to enable it to discharge such obligation.

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to raise taxes on a federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future.

The UAE has entered into double taxation arrangements with certain other countries, but these are not extensive in number.

UAE Value Added Tax (VAT)

On 24 February 2016, the UAE Minister of State for Financial Affairs announced that, pursuant to a GCC-wide framework agreement on the implementation of VAT, the UAE would implement VAT at a rate of 5 per cent. from 1 January 2018. The UAE national legislation implementing this framework agreement was published on 23 August 2017 (UAE Federal Decree Law No. 8 of 2017). Additionally, on 28 November 2017, the Ministry of Finance announced that the VAT implementing regulations were officially adopted and signed by Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, Ruler of Dubai. This is considered to be the first phase of the new tax system in the UAE.

In January 2018, the Cabinet announced that distribution of the UAE's VAT revenues would be split on a 70:30 ratio between the UAE's local and federal governments. 70 per cent. of total VAT revenues would be distributed among the local governments and would primarily be used for facilitating services supporting UAE residents and enhancing community development. The balance of VAT revenues will be used by the UAE Federal Government as part of the UAE's federal budget.

Excise Tax

Excise tax was introduced across the UAE in October 2017 pursuant to Federal Decree-Law No.7 of 2017 on Excise Tax and is aimed at reducing the consumption of unhealthy and harmful commodities while also raising revenues for the UAE Federal Government that can be spent on beneficial public services. At present, excise tax is levied on carbonated drinks, energy drinks and tobacco products at the following rates: (1) 50 per cent. for carbonated drinks; (2) 100 per cent. for energy drinks; and (3) 100 per cent. for tobacco products.

SUBSCRIPTION AND SALE

Words and expressions defined in the Conditions shall have the same meanings in this section, "Subscription and Sale".

The Dealers have, in an amended and restated dealer agreement (such dealer agreement as modified and/or supplemented and/or restated from time to time, the "**Dealer Agreement**") dated 20 March 2019, agreed with the Trustee and the Government a basis upon which they or any of them may from time to time agree to purchase Trust Certificates. In the Dealer Agreement, each of the Trustee and the Government has agreed to reimburse the Dealers for certain of their expenses in connection with the issue of Trust Certificates under the Programme.

United States

The Trust Certificates have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it will not offer or sell any Series of Trust Certificates: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date of such Series, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Trust Certificates during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of such Series of Trust Certificates within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Trust Certificates are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S. In addition, until 40 days after the commencement of the offering of a Series of Trust Certificates, an offer or sale of such Series of Trust Certificates within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Trust Certificates which have a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Trust Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Trust Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Trust Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Trustee or the Government; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Trust Certificates in, from or otherwise involving the United Kingdom.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Trust Certificates specifies the "**Prohibition of Sales to EEA Retail Investors**" as "**Not Applicable**", each Dealer has represented and agreed, and each further Dealer

appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Trust Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Directive 2002/92/EC (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Directive; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Trust Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Trust Certificates.

If the Final Terms in respect of any Trust Certificates specifies "**Prohibition of Sales to EEA Retail Investors**" as "**Not Applicable**", in relation to each EU Member State, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive was implemented in an EU Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Trust Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in that EU Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Trust Certificates to the public in that EU Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Trustee and the Government for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Trust Certificates referred to above shall require the Trustee, the Government or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Trust Certificates to the public" in relation to any Trust Certificates in any relevant EU Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Trust Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Trust Certificates, as the same may be varied in that EU Member State by any measure implementing the Prospectus Directive in that EU Member State, the expression "**Prospectus Directive**" for the purposes of this paragraph means Directive 2003/71/EC (as amended, or superseded), and includes any relevant implementing measure in the relevant EU Member State.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Trust Certificates: except on a private placement basis, to persons in the Kingdom of Bahrain who are "**accredited investors**".

For this purpose, an "**accredited investor**" means:

(a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more (excluding that person's principal place of residence);

(b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000; or

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Sultanate of Oman

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) this Base Prospectus has not been filed with or registered as a prospectus with the Capital Market Authority of Oman pursuant to Article 3 of the Capital Market Authority Law SD 80/98 (Article 3), will not be offered or sold as an offer of securities in Oman as contemplated by the Commercial Companies Law) or Article 3, nor does it constitute a sukuk offering pursuant to the Sukuk Regulation issued by the Capital Market Authority of Oman (CMA Decision 3/2016); and

(b) the Trust Certificates have not been and will not be offered, sold or delivered, and no invitation to subscribe for or to purchase the Trust Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Oman to any person in Oman other than by an entity duly licensed by the Capital Market Authority of Oman to market non-Omani securities in Oman and then only in accordance with all applicable laws and regulations, including Article 139 of the Executive Regulations of the Capital Markets Law (Decision No. 1/2009, as amended).

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Trust Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Trust Certificates pursuant to an offering should note that the offer of Trust Certificates is a private placement under Article 9 or Article 10 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority resolution number 3-123-2017 dated 27 December 2017, as amended by the Board of the Capital Market Authority resolution number 3-45-2018 dated 23 April 2018 (the "**KSA Regulations**"), made through a person authorised by the Capital Market Authority ("**CMA**") to carry on the securities activity of arranging and following a notification to the CMA under Article 11 of the KSA Regulations.

The Trust Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "sophisticated investors" under Article 9 of the KSA Regulations or by way of a limited offer under Article 10 of the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Trust Certificates to a Saudi Investor will be made in compliance with Article 11 and either Article 9 or Article 10 of the KSA Regulations.

Each offer of Trust Certificates shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 15 of the KSA Regulations. Any Saudi Investor who has acquired Trust Certificates pursuant to a private placement under Article 9 or Article 10 of the KSA Regulations may not offer or sell those Trust Certificates to any person unless the offer or sale is made through an authorised person appropriately licensed by the CMA and: (a) the Trust Certificates are offered or sold to a Sophisticated Investor (as defined in Article 9 of the KSA Regulations); (b) the price to be paid for the Trust Certificates in any one transaction is equal to or exceeds Saudi Riyals 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 15 of the KSA Regulations.

State of Qatar (including the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, delivered or sold, and will not offer, sell or deliver at any time, directly or indirectly, any Trust Certificates in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide

investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre). This Base Prospectus has not been filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, Qatar Financial Centre Regulatory Authority or any other relevant Qatar governmental body or securities exchange.

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no invitation, whether directly or indirectly, has been or will be made to the public in the Cayman Islands to subscribe for any Trust Certificates issued under the Programme and this Base Prospectus shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for any Trust Certificates.

UAE (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Trust Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Trust Certificates to any person in the DIFC unless such offer is:

(a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT) Module of the DFSA Rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

State of Kuwait

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Trust Certificates to be issued have not been and will not be offered, sold, promoted or advertised by it in the State of Kuwait other than in compliance with Decree Law No. 31 of 1990 and the implementing regulations thereto, as amended, and Law No. 7 of 2010 and the bylaws thereto, as amended governing the issue, offering and sale of securities.

No private or public offering of the Trust Certificates is being made in the State of Kuwait, and no agreement relating to the sale of the Trust Certificates will be concluded in the State of Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Trust Certificates in the State of Kuwait.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Trust Certificates (except for Trust Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong (the "**SFO**")) other than: (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, in each case whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Trust Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted

to do so under the laws of Hong Kong) other than with respect to the Trust Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Certificates or caused the Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Certificates or cause the Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Certificates, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Certificates pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Trust Certificates, the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Trust Certificates are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAAN16: Notice on Recommendations on Investment Products).

Malaysia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) this Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia (the "**SC**") under the Capital Markets and Services Act 2007 of Malaysia (the "**CSMA**"); and

(b) accordingly, the Trust Certificates have not been and will not be offered or sold, and no invitation to subscribe for or purchase the Trust Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Schedule 6 (or Section 229(1)(b)) and Schedule 7 (or Section 230(1)(b)) read together with Schedule 8 (or Section 257(3)) of the CSMA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the SC and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Trust Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of the Trust Certificates as aforesaid without the necessary approvals being in place.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge) comply with all applicable securities laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Trust Certificates or possesses or distributes this Base Prospectus, any other offering material or any Final Terms and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Trust Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Trustee, the Government and any other Dealer shall have any responsibility therefor.

None of the Trustee, the Government or any of the Dealers: (i) makes any representation that any action has been or will be taken in any jurisdiction that would permit a public offering of any Trust Certificates, or possession or distribution of this Base Prospectus, any other offering, material or any Final Terms, in any country or jurisdiction where action for that purpose is required; or (ii) represents that Trust Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with any additional restrictions agreed between the Trustee, the Government and the relevant Dealer(s) and set out in the relevant dealer accession letter or subscription agreement, as the case may be. Any such modification will be set out in the Final Terms issued in respect of the issue of Trust Certificates to which it relates or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the entry of the Trustee into the transaction contemplated by the Transaction Documents and the execution thereof has been duly authorised by a resolution of the Board of Directors of the Trustee dated 20 March 2019. The issuance of the Trust Certificates and the entry by the Government into the Transaction Documents to which it is a party was duly authorised by Emiri Decree No, 57 of 2014 of the Ruler's Court of the Government issued on 19 August 2014.

The Trustee and the Government have each obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme and will obtain all necessary consents, approvals and authorisations in connection with the issue of any Trust Certificates thereunder and the execution and performance of the Transaction Documents to which they are a party.

Listing of Trust Certificates

This Base Prospectus has been approved by the Central Bank as competent authority under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. The listing of the Trust Certificates is expected to be granted on or before 20 March 2019. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Government and the Trustee in connection with the Trust Certificates and is not itself seeking admission of the Trust Certificates to the Official List or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Directive.

Application has been made to Euronext Dublin for Trust Certificates issued under the Programme during the 12 months from the date of this Base Prospectus to be admitted to the Official List and admitted to trading on the regulated market of Euronext Dublin. It is expected that each Tranche of Trust Certificates which is to be admitted to the Official List and to trading on Euronext Dublin's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Trust Certificate initially representing the Trust Certificates of such Tranche.

Application has also been made to the DFSA for the Trust Certificates to be admitted to the DFSA Official List and to be admitted to trading on Nasdaq Dubai. The Trust Certificates are expected to be admitted to the DFSA Official List and admitted to trading on Nasdaq Dubai on or before 20 March 2019.

The Programme provides that Trust Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, the Government and the relevant Dealer(s). Unlisted Trust Certificates may also be issued pursuant to the Programme.

No Significant Change

There has been no significant change in the tax and budgetary systems, foreign trade and balance of payments, foreign exchange reserves, financial position, prospects and resources and income and expenditure figures of the Government since 31 December 2017 and there has been no significant change in gross public debt of the Government since 31 December 2018.

There has been no significant change in the financial or trading position of the Trustee and no material adverse change in the financial position or prospects of the Trustee, in each case, since the date of its incorporation.

Litigation

Neither the Government nor the Trustee is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Government or the Trustee is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Government and/or the Trustee.

Language of this Base Prospectus

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

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available in physical/electronic form for inspection at the specified office of the Principal Paying Agent (at Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom):

(a) copies of the constitutional documents of the Trustee;

(b) Emiri Decree No. 57 of 2014 of the Ruler's Court of the Government;

(c) the current fiscal budget of the Government;

(d) the Master Declaration of Trust, the Master Purchase Agreement, the Master Lease Agreement, the Agency Agreement, the Purchase Undertaking, the Sale and Substitution Undertaking, the Master Murabaha Agreement and the forms of the Global Trust Certificate and the Trust Certificates in definitive form;

(e) each Supplemental Declaration of Trust, Supplemental Purchase Agreement, Supplemental Lease Agreement and Declaration of Commingling of Assets in relation to Trust Certificates which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system;

(f) a copy of this Base Prospectus; and

(g) any future offering circulars, prospectuses, information memoranda, supplementary prospectus and supplements including Final Terms (save that the Final Terms relating to a Trust Certificate which is not listed on the Official List and neither admitted to trading on the regulated market of Euronext Dublin or any other regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Trust Certificate and such holder must produce evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of Trust Certificates and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

The applicable Final Terms for Trust Certificates that are listed on the: (i) Official List and admitted to trading on the regulated market of Euronext Dublin; and (ii) DFSA Official List and admitted to trading on Nasdaq Dubai and, for a period of 12 months only from the date hereof, this Base Prospectus will be published on the website of the Central Bank (http://www.centralbank.i.e.) and the website of the DFSA (http://www.dfsa.ae).

Clearing Systems

The Trust Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate common code, International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and/or Classification of Financial Instruments (CFI) code (as applicable) for each Tranche of Trust Certificates will be specified in the applicable Final Terms. If the Trust Certificates are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Trustee's Legal Entity Identifier

The Trustee's Legal Entity Identifier ("**LEI**") code is 549300N3BQ9P6RRMVV02.

Third-Party Information

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Trustee or the Government is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

Dealer not acting for any prospective or actual holders of Trust Certificates

Each of the Arrangers is authorised by the Prudential Regulation Authority (the "**PRA**") and regulated by the PRA and the Financial Conduct Authority in the United Kingdom. None of the Dealers or the Arranger is acting for any actual or prospective holders of Trust Certificates, and are neither advising nor treating as a client any other person and will not be responsible to any actual or prospective holders of Trust Certificates and will not be responsible to anyone other than the Trustee for providing the protections afforded to its clients nor for providing the services in relation to the offering described in this Base Prospectus and / or the relevant Final Terms or any transaction or arrangement referred to herein or therein. None of the Dealers, the Arranger nor any of their respective affiliates has authorised the content of, or any part of, Base Prospectus and/or the relevant Final Terms.

Dealers transacting with the Government

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in various financial advisory, investment banking and/or commercial banking transactions with, and may perform services for, the Government of the Emirate of Sharjah and/or the Sharjah Finance Department and/or their affiliates (including any other public sector instrumentality, as defined in the Conditions) in the ordinary course of business for which they have received, and for which they may in the future receive, fees and expenses. In particular, certain of the Dealers are lenders to the Government of the Emirate of Sharjah (and/or the Sharjah Finance Department and/or their affiliates (including any other public sector instrumentality)) and proceeds from the issue of the Trust Certificates may be used to repay such outstanding loan facilities. In connection with any offering under the Programme the Dealers may purchase and sell Trust Certificates in the open market.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Government of the Emirate of Sharjah and/or the Sharjah Finance Department and/or their respective affiliates (including any other public sector instrumentality). Certain of the Dealers or their affiliates that have a lending relationship with the Government of the Emirate of Sharjah and/or the Sharjah Finance Department and/or their respective affiliates (including any other public sector instrumentality) routinely hedge their credit exposure to the Government of the Emirate of Sharjah and/or the Sharjah Finance Department and/or their respective affiliates (including any other public sector instrumentality) consistent with their customary risk management policies.

Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Trust Certificates. Any such short positions could adversely affect future trading prices of the Trust Certificates issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

THE TRUSTEE

Sharjah Sukuk Programme Limited
c/o Maples Corporate Services Limited
P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

THE GOVERNMENT

The Government of the Emirate of Sharjah acting through **Sharjah Finance Department**
Al Layyeh Suburb
P.O. Box 201
Sharjah
United Arab Emirates

PRINCIPAL PAYING AGENT, TRANSFER AGENT AND CALCULATION AGENT	DELEGATE	REGISTRAR AND TRANSFER AGENT
Deutsche Bank AG, London Branch Winchester House One Great Winchester Street London EC2N 2DB United Kingdom	**Deutsche Trustee Company Limited** Winchester House One Great Winchester Street London EC2N 2DB United Kingdom	**Deutsche Bank Luxembourg S.A.** 2 Boulevard Konrad Adenauer L-1115 Luxembourg

DEALERS AND JOINT BOOKRUNNERS

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LEGAL ADVISERS TO THE GOVERNMENT AND THE TRUSTEE

As to Emirate of Sharjah, UAE and English law	*As to Cayman Islands law*
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LEGAL ADVISERS TO THE DEALERS

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