

BASE PROSPECTUS

EFG-HERMES MENA SECURITIES LIMITED

(registered as a limited liability company in the British Virgin Islands under No. 1424759)

US \$5,000,000,000 Securitised Holding Abwab Market Access Listed (SHAMAL) Notes Programme

in respect of which the payment
obligations of EFG-Hermes MENA Securities Limited
are guaranteed by

EFG-Hermes Holding S.A.E.

(registered as an Egyptian Joint Stock Company under No. 64214)

Under the Securitised Holding Abwab Market Access Listed ("**SHAMAL**") Notes Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), EFG-Hermes MENA Securities Limited (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue participation notes (the "**Notes**"). The Notes issued by EFG-Hermes MENA Securities Limited will be guaranteed by EFG-Hermes Holding S.A.E. (the "**Guarantor**"). The Notes will be subject to the terms and conditions set out in this Base Prospectus as completed by the final terms specific to a particular issue of Notes (the "**Final Terms**") and/or a Drawdown Prospectus (as defined below), as applicable. The maximum aggregate principal amount of Notes outstanding at any one time under the Programme may not exceed US\$5,000,000,000 (or its equivalent in other currencies) (and, for this purpose, any Notes denominated in any other currency shall be converted into US dollars at the date of the agreement to issue such Notes).

The Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Directive 2003/71/EC (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. Such approval relates only to Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of the Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

Application will be made to the Irish Stock Exchange (the "**Irish Stock Exchange**") for Notes issued under the Programme on and during the period of twelve months after the date hereof to be admitted to the Official List and trading on its regulated market. No assurances can be given that such application for admission to trading will be granted. Such market is a regulated market for the purposes of the Markets in Financial Instruments Directive ("**MiFID**"). For each Series of Notes to be listed and admitted to trading on the regulated market of the Irish Stock Exchange, Final Terms and/or Drawdown Prospectus (as defined below), as applicable, will be filed with the Central Bank in its capacity as competent authority in Ireland as required by the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland (the "**Irish Prospectus Regulations**") on or before the date of admission to listing and trading on the regulated market of the Irish Stock Exchange of such Series of Notes. Notes may be listed and admitted to trading on such other regulated market or further stock exchanges as may be agreed between the Issuer and each Dealer (as defined below), and may also be unlisted.

Each Tranche (as defined herein) of Notes in bearer form will initially be represented by either (i) a temporary global note (a "**Temporary Global Note**") which will be exchangeable for a permanent global note (a "**Permanent Global Note**", and together with each Temporary Global Note, a "**Global Note**") or (ii) a Permanent Global Note. Global Notes will be deposited on or about the issue date of the Notes with a common depository on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Each Series of Notes in registered form, without interest coupons or principal receipts, will be represented on issue by a permanent Rule 144A Global Certificate (a "**Rule 144A Global Certificate**") which will be deposited on or about the issue date with the custodian for The Depository Trust Company ("**DTC**"), or a Regulation S Global Certificate (a "**Regulation S Global Certificate**" and, together with each Rule

144A Global Certificate, a "**Global Certificate**") which will be deposited on the Issue Date with Euroclear and Clearstream Luxembourg. US Persons may not hold an interest in a Regulation S Global Certificate at any time. Ownership interests in the Regulation S Global Certificates and the Rule 144A Global Certificates will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and DTC, respectively and their respective participants.

Notes sold outside the United States to non-US Persons in reliance on Regulation S on the Issue Date shall be represented on issue by a definitive, fully registered certificate without interest coupons or principal receipts, registered in the name of the holder (each, a "**Regulation S Definitive Certificate**"). The Notes sold in reliance on Rule 144A to US Persons who are "Qualified Institutional Buyers" ("**QIB**") (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) for the purposes of Rule 144A under the Securities Act and "Qualified Purchasers" ("**QP**") for the purposes of Section 3(c)(7) of the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**") will be represented on issue by definitive fully registered certificates without interest coupons or principal receipts registered in the name of the holder (or a nominee) thereof (each, a "**Rule 144A Definitive Certificate**").

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION.

The Notes will be offered: (a) outside the United States to non-US Persons in offshore transactions in compliance with Regulation S ("**Regulation S**") under the Securities Act ("**Regulation S Notes**") and (b) to persons who are both QIB in reliance on Rule 144A and QP for purposes of Section 3(c)(7) of the Investment Company Act ("**Rule 144A Notes**"). The Notes may not be offered or sold within the United States or to, or for the account or benefit of, a US Person ("**US Person**" means "**US person**" as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Neither the Issuer nor the Guarantor will be registered under the Investment Company Act. Interests in the Notes will be subject to certain restrictions on transfer. See section entitled "Subscription and Sale". Prospective purchasers of Notes are hereby notified that the sellers of the Notes may be relying on the exemption from the registration provisions of Section 5 of the Securities Act provided by Rule 144A thereunder. Each purchaser of a Note sold in reliance of Rule 144A will be deemed to have represented and agreed, and shall be required to affirmatively represent and agree, that it is a QIB and QP and will be deemed to have made, and shall be required to affirmatively make, the representations set out in "Transfer Restrictions".

The Notes can involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of the Notes. The Notes are intended for sale only to those investors capable of understanding the risk entailed in such instruments. Prospective purchasers of Notes should ensure that they understand the nature of the Notes as an investment in light of their own circumstances and financial condition. Prospective purchasers of the Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, should form their own views of the merits of an investment related to the Notes based upon such investigations and not in reliance upon any information given in this Base Prospectus and the Final Terms and/or Drawdown Prospectus (as applicable). If in doubt potential investors are strongly recommended to consult with their financial advisers before making any investment decision. See the section entitled "Risk Factors".

Investing in the Notes puts your capital at risk. You may lose some or all of your investment.

Dated 15 November 2010

TABLE OF CONTENTS

	Page
IMPORTANT NOTICES	1
GENERAL DESCRIPTION OF THE PROGRAMME	4
DOCUMENTS INCORPORATED BY REFERENCE	5
SUMMARY	7
RISK FACTORS	16
USE OF PROCEEDS	27
TERMS AND CONDITIONS OF THE NOTES	28
FORM OF FINAL TERMS FOR NOTES	55
PART A – CONTRACTUAL TERMS	56
PART B – OTHER INFORMATION	60
ANNEX - BUY-BACK PROVISIONS.....	63
FORM OF EFG-HERMES HOLDING S.A.E. GUARANTEE.....	64
INFORMATION ABOUT EFG-HERMES MENA SECURITIES LIMITED.....	72
SELECTED FINANCIAL INFORMATION RELATING TO EFG-HERMES MENA SECURITIES LIMITED	75
INFORMATION ABOUT EFG-HERMES HOLDING S.A.E.....	79
SELECTED CONSOLIDATED FINANCIAL INFORMATION RELATING TO EFG-HERMES HOLDING S.A.E.	90
TAXATION	94
CERTAIN ERISA CONSIDERATIONS.....	105
SUBSCRIPTION AND SALE	108
FORM OF NOTEHOLDER LETTER	114
TRANSFER RESTRICTIONS.....	118
GENERAL INFORMATION.....	128
INDEX OF DEFINED TERMS	130

IMPORTANT NOTICES

Notice to New Hampshire Residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (THE "RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Notice to Residents of the United States

THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER APPLICABLE UNITED STATES FEDERAL AND STATE SECURITIES LAWS.

This Base Prospectus has been prepared for the purpose of allowing the Notes issued under the Programme to be admitted to the Official List of the Irish Stock Exchange and for such securities to be admitted to trading on the Irish Stock Exchange's regulated market and for the purpose of giving information with regard to the Issuer, the Guarantor and the Notes which, according to the particular nature of the Issuer, the Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the Guarantor and of the rights attached to the Notes.

The Issuer and the Guarantor both accept responsibility for the information contained in this Base Prospectus. To the best of their knowledge and belief (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 is to be read in conjunction with the documents incorporated herein by reference (see section entitled "Documents Incorporated by Reference"). This Base Prospectus shall be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus.

Neither the Issuer nor the Guarantor intends to provide any post-issuance information or has authorised the making or provision of any representation or information regarding the Issuer, the Guarantor or the Notes other than as contained or incorporated by reference in this Base Prospectus, in any other document prepared in connection with the Programme or any Final Terms and/or Drawdown Prospectus (as applicable) or as expressly approved for such purpose by the Issuer or the Guarantor. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Guarantor. The delivery of this document or the delivery of any Final Terms and/or Drawdown Prospectus (as applicable) at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

This Base Prospectus does not constitute an offer of Notes, and may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Notes or the distribution of this Base Prospectus in any jurisdiction where any such action is required except as specified herein. The Notes have not been, and will not be, registered under the Securities Act, or the securities laws of any state of the US or any other jurisdiction and the Notes may not be offered or sold within the US or to, or for the account or benefit of US Persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

The purchaser of any Note, by such purchase, agrees that such Note is being acquired for its own account and not with a view to distribution and may be resold, pledged or otherwise transferred only (1) to the Issuer (upon redemption thereof or otherwise), (2) to a person the purchaser reasonably believes is a QIB, which is also a QP, in a transaction meeting the requirements of Rule 144A, or (3) outside the United States to a non-US Person in an offshore transaction in reliance on Regulation S, in each case, in compliance with all applicable securities laws of any state of the United States or any other jurisdiction.

Each purchaser of Notes offered hereby in making its purchase will be deemed to have made, and in some cases shall be required to affirmatively make, certain acknowledgements, representations and agreements as set out herein, and in limited circumstances will be required to make, under "Subscription and Sale" and "Transfer Restrictions". The Notes may not be offered or sold within the United States or to, or for the account or benefit of, US Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Interests in the Notes will be subject to certain transfer restrictions set out in the legend of title certificate, representing such Notes, and each transferee of a note or an interest therein will be required to represent that it is a QIB/QP or a non-US Person and each purchaser of Notes will only transfer its beneficial interest in such Note, upon receipt of any certificate of transfer required by the Agency Agreement. See "Transfer Restrictions" below.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer and the Guarantor to inform themselves about, and to observe any such restrictions. See section entitled "Transfer Restrictions".

THIS DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE TRANSMITTED OR DISTRIBUTED TO PERSONS WITHIN THE UNITED STATES OR TO "US PERSONS", AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), EXCEPT IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT PROVIDED SUCH PERSONS ARE BOTH "QUALIFIED INSTITUTIONAL BUYERS" ("**QIBs**") (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) AND "QUALIFIED PURCHASERS" ("**QPs**") FOR THE PURPOSES OF SECTION 3(C)(7) OF THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"), IN EACH CASE FOR ITS OWN ACCOUNT FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO THE DISTRIBUTION THEREOF (EXCEPT IN ACCORDANCE WITH RULE 144A).

The Dealer may promote the Notes (or appoint a third party to promote the Notes) in the United Kingdom only to persons falling within either Article 19 (investment professionals) or Article 49 (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and not to any other person unless it is possible to do so without breaching the restriction in section 21(1) of the Financial Services and Markets Act 2000 (the "**FSMA**"), and the Dealer considers it appropriate to do so in any particular case. These Notes are not intended to be promoted to retail investors in the UK, and the Dealer will not do so. Subsequent purchasers of the Notes are informed of this and must ensure (and have the sole responsibility of ensuring) that any subsequent sale of the Notes by them is done in accordance with FSMA and the Financial Services Authority Rules (the "**FSA Rules**").

This Base Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Notes described herein. Each of the Issuer and each Dealer reserves the right to reject any offer to purchase the Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of any Notes offered hereby. This Base Prospectus is personal to each offeree to whom it has been delivered by the Issuer or the relevant Dealer or any Affiliate and/or representative thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this Base Prospectus to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited, save as otherwise authorised under this Base Prospectus, in particular, the sections "Income Tax Considerations", "Certain ERISA Considerations" and "Transfer Restrictions". Each prospective purchaser in the United

States, by accepting delivery of this Base Prospectus, agrees to the foregoing and to make no copies of this Base Prospectus or any documents related hereto.

Notwithstanding anything herein to the contrary, each offeree (and each employee, representative, or other agent of such offeree) may disclose to any and all other persons, without limitation of any kind, the tax treatment and tax structure of the transactions described herein (including the ownership and disposition of the Notes) and all materials of any kind (including opinions or other tax analyses) that are provided to the offeree relating to such tax treatment and tax structure. However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent reasonably necessary to comply with applicable federal or state laws. For the purposes of this paragraph, the terms "tax treatment" and "tax structure" have the meaning given to such terms under United States Treasury Regulation Section 1.6011-4(c) and applicable state and local law.

No Dealer has separately verified the information contained in this Base Prospectus. No Dealer makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. This Base Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor or any Dealer that any recipient of this Base Prospectus should purchase the Notes. Each potential purchaser of Notes should determine for himself or herself the relevance of the information contained in this Base Prospectus and any purchase of Notes should be based upon such investigation as such potential purchaser deems necessary. No Dealer undertakes to review the financial condition or affairs of any of the Issuer or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any Dealer.

In particular, none of the Issuer, the Guarantor nor any Dealer accepts responsibility in respect of the accuracy or completeness of the information set forth in the relevant Final Terms and/or Drawdown Prospectus, as applicable, concerning the Shares and their obligations or that there has not occurred any event which would affect the accuracy or completeness of such information. Further, the relevant Final Terms and/or Drawdown Prospectus, as applicable, may include tables showing the high and low levels or prices (as applicable) of the Shares (if any) for the periods indicated. While such tables provide some historical data regarding the risks of investing in the Shares, past results are not necessarily indicative of future performance. Prospective purchasers of the relevant Notes are advised to consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of Notes for them as an investment. Each prospective purchaser of Notes should be fully aware of and understand the complexity and risks inherent in Notes before it makes its investment decision in accordance with the objectives of its business.

Available Information

To permit compliance with Rule 144A under the Securities Act in connection with the sale of the Notes, the Issuer will be required under the Agency Agreement to furnish upon request to a holder or beneficial owner of a Note who is a QIB or a prospective investor who is a QIB and is designated by such holder or beneficial owner the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is neither a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. All information made available by the Issuer pursuant to the terms of this paragraph may also be obtained during usual business hours free of charge at the office of the US Paying Agent in New York.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "US\$", "USD", "\$" and "US Dollars" are to United States dollars, to "euro" and "€" are to the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, and to "Sterling" and "£" are to the currency of the United Kingdom.

An index of defined terms is set out in the "Index of Defined Terms" below.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer, subject to compliance with all relevant laws, regulations and directives, may from time to time issue Notes. Notes issued by the Issuer will be guaranteed by the Guarantor. Application will be made to the Irish Stock Exchange for certain Notes issued under the Programme on and during the period of 12 months after the date hereof to be admitted to the Official List and trading on its regulated market. No assurances can be given that such application for admission to trading will be granted.

Subject to compliance with all applicable laws, regulations and directive, Notes may have a minimum maturity of one day and shall have such denomination as may be specified in the relevant Final Terms and/or Drawdown Prospectus (as applicable) (and in any currency). The aggregate nominal amount of Notes outstanding at any one time under the Programme is subject to a maximum of US\$5,000,000,000 (or its equivalent in other currencies) (and, for this purpose, any Notes denominated in any other currency shall be converted into US dollars at the date of the agreement to issue such Notes).

On the issue date of a series of Notes, an investor will pay the purchase price of the Notes on such terms as shall be agreed with the Dealer. During the term of the Notes, the Issuer will pay investors any cash dividend declared and received during the applicable period by a Hypothetical Investor as holder of the Aggregate Number of Shares. On the maturity date of the Notes, the redemption amount payable to each investor holding the Notes shall be based on the volume weighted average price at which a Hypothetical Investor could have sold the Aggregate Number of Shares on the Exchange during the Valuation Period, as adjusted for conversion of the currency of the Shares to the currency of the Notes, and subject to adjustment due to certain adjustment events specified in the Terms and Conditions of the Notes, and after deducting certain costs, expenses and taxes specified in the Terms and Conditions of the Notes.

Unless otherwise specified in the relevant Final Terms and/or Drawdown Prospectus (as applicable), Deutsche Bank AG, London branch will act as Fiscal Agent and Exchange Agent, Deutsche Bank Trust Company Americas will act as US Paying Agent, Transfer Agent, US Registrar and as custodian for DTC, EFG-Hermes UAE Limited will act as Calculation Agent, and Deutsche Bank Luxembourg S.A. will act as Registrar.

The terms and conditions of the Notes are set out in the "Terms and Conditions" and will be completed and amended by the relevant Final Terms and/or Drawdown Prospectus (as applicable) in respect of each Tranche of Notes to be issued under the Programme.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which shall be deemed to be incorporated in, and form part of, this Base Prospectus and each of which has been filed with the Irish Stock Exchange, save that any statement contained in a document which is deemed to be incorporated by reference herein, shall be deemed to 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 be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

1. The audited financial statements of the Issuer for the year ended 31 December 2009, the key sections of which are:
 - (i) Independent auditor's report Page 2
 - (ii) Balance sheet Page 3
 - (iii) Income statement Page 4
 - (iv) Statement of cash flows Page 5
 - (v) Notes Page 7-17

2. The audited financial statements of the Issuer for the period ended 31 December 2008, the key sections of which are:
 - (i) Independent auditor's report Page 1
 - (ii) Balance sheet Page 2
 - (iii) Income statement Page 3
 - (iv) Statement of cash flows Page 5
 - (v) Notes Page 6-11

3. The interim reviewed financial statements for the Issuer for the six-month period ending 30 June 2010, the key sections of which are:
 - (i) Independent auditor's report Page 2
 - (ii) Condensed interim statement of financial position Page 3
 - (iii) Condensed interim statement of comprehensive income Page 4
 - (iv) Condensed interim statement of cash flows Page 6
 - (v) Notes Page 7-10

4. The audited consolidated financial statements of the Guarantor for the year ended 31 December 2009, the key sections of which are:
 - (i) Independent auditor's report Page 0
 - (ii) Consolidated balance sheet Page 1
 - (iii) Consolidated income statement Page 2
 - (iv) Consolidated statement of cash flows Page 4
 - (v) Notes to the consolidated financial statements Page 5-27

5. The audited consolidated financial statements of the Guarantor for the year ended 31 December 2008, the key sections of which are:
 - (i) Independent auditor's report Page 0
 - (ii) Consolidated balance sheet Page 1
 - (iii) Consolidated income statement Page 2
 - (iv) Consolidated statement of cash flows Page 4-5
 - (v) Notes to the consolidated financial statements Page 6-34

6. The reviewed Investor Relations 2Q 2010 Earnings Release dated 15 August 2010, the key section of which is the consolidated financial statements of the Guarantor for the period ended 30 June 2010 and the auditor's review, including:
 - (i) The Review Report Page 0
 - (ii) Consolidated balance sheet Page 1
 - (iii) Consolidated income statement Page 2
 - (iv) Consolidated cash flow statements Page 4
 - (v) Notes to the consolidated financial statements Page 5-25

Any document which is incorporated by reference into any of the documents deemed to be incorporated by reference in, and form part of, this Base Prospectus shall not constitute a part of this Base Prospectus. All documents incorporated by reference into this Base Prospectus have been filed with the Irish Stock Exchange.

Websites referred to in this Base Prospectus do not form part of this Base Prospectus.

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of the Notes.

The Guarantor is permitted to incorporate its financial information by reference into this Base Prospectus, as it has previously listed securities on a market which is a regulated market for the purposes of the MiFID. Copies of the documents incorporated herein by reference are available (free of charge) at the registered office of the Guarantor.

SUMMARY

Words and expressions defined in the "Terms and Conditions of the Notes" below shall have the same meanings in this Summary.

This Summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference.

No civil liability in respect of this Summary will attach to the Issuer or the Guarantor in any Member State of the European Economic Area in which the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) have been implemented unless the Summary, including any translation thereof, is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in such a Member State, the Plaintiff may, under the national legislation of that Member State, be required to bear the cost of translating the Base Prospectus before the legal proceedings are initiated.

1. Description of the Notes

Issuer: EFG-Hermes MENA Securities Limited (the "**Issuer**") is incorporated in the British Virgin Islands under British Virgin Islands law, with registered no. 1424759 as a limited liability company. Its registered office is at Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands.

The Issuer is a limited liability company and, as such, holders of the Notes may only have recourse to the assets of the Issuer and not to those of its shareholders. Its sole shareholder is EFG-Hermes Advisory BVI.

The Issuer was incorporated on 9 August 2007. Its principal business is the issuance of participation notes. The Issuer will enter into certain arrangements and/or agreements in order to hedge its payment obligations under the Notes.

Guarantor: EFG-Hermes Holding S.A.E. (the "**Guarantor**")

The Guarantor was incorporated as a Public Joint Stock Company pursuant to decree No. 106 of 1984 and operates under the Egyptian Capital Market Company Law No 159 of 1981 and Capital Market Law 95 of 1992. The Guarantor's registered office and principal administrative establishment is Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt.

The Guarantor is an Egyptian Joint Stock Company and, as such, its shareholders have a joint and limited obligation to meet any insufficiency in the assets of the Guarantor in the event of its liquidation. The joint and limited liability of the shareholders of the Guarantor to meet any insufficiency in the assets of the Guarantor will only apply upon liquidation of the Guarantor. Therefore, prior to any liquidation of the Guarantor, holders of the Notes may only have recourse to the assets of the Guarantor and not to those of its shareholders. The major shareholders of the Guarantor are described under the section entitled "Information about EFG-Hermes Holding S.A.E." below.

The Guarantor was incorporated in Egypt on 16 June 1998. Its principal business is investment banking, asset management, private equity, securities brokerage and research.

Dealer:

Unless otherwise provided in the applicable Final Terms and/or Drawdown Prospectus (as applicable), Financial Brokerage Group will act as Dealer to purchase, procure the placement of and/or distribute the Notes to be sold outside the United States to non-US Persons in reliance on Regulation S under the Securities Act.

Unless otherwise provided in the applicable Final Terms and/or Drawdown Prospectus (as applicable), Financial Brokerage Group will act as Dealer to procure the placement of and/or distribute the Notes to be sold inside the United States to US Persons in reliance on Rule 144A under the Securities Act. Financial Brokerage Group is not a registered broker or dealer under the Exchange Act and will be relying on the exemption from registration found in Rule 15a-6 under the Exchange Act. Accordingly, a broker or dealer registered under the Exchange Act will be appointed to serve as Marketing Agent to the Issuer and Financial Brokerage Group in order to satisfy the requirements of Rule 15a-6 in connection with the placement, distribution and sale of the Notes to US Persons in reliance on Rule 144A.]

Form of Notes:

Notes may be issued in bearer or registered form. Each series of Bearer Notes will initially be in the form of a Temporary Global Note or a Permanent Global Note, as specified in the relevant Final Terms and/or Drawdown Prospectus (as applicable). Each Temporary Global Note or Permanent Global Note will be deposited on or about the Issue Date with a common depository for Euroclear and/or Clearstream Luxembourg. Each Temporary Global Note shall be exchangeable for a Permanent Global Note.

Registered Notes sold outside the United States to non-US Persons in reliance on Regulation S under the Securities Act (which will be deposited on the Issue Date with Euroclear and Clearstream, Luxembourg) will each be represented on issue by beneficial interests in one or more permanent Global Certificates in fully registered form, without interest coupons or principal receipts (each, a "**Regulation S Global Certificate**" and together, the "**Regulation S Global Certificates**"). US Persons may not hold an interest in a Regulation S Global Certificate at any time. See Condition 2 (*Form, Denomination and Title*) and the section entitled "Transfer Restrictions" below.

Registered Notes sold in reliance on Rule 144A to US Persons who are QIB/QP, will each be represented on issue by beneficial interests in one or more permanent Global Certificates (each, a "**Rule 144A Global Certificate**" and together, the "**Rule 144A Global Certificates**"), in fully registered form, without interest coupons or principal receipts, which will be deposited on or about the Issue Date with the custodian for DTC. Ownership interests in the Rule 144A Global Certificates will be shown in, and transfers thereof will only be effected through records maintained, by DTC and its participants. Purchasers and transferees of Notes will be deemed to have made, and shall be required to affirmatively make, certain representations and agreements. See Condition 2 (*Form, Denomination and Title*) and the section entitled "Transfer Restrictions" below.

Bearer Notes and any coupons relating to such Notes will contain the following legend:

THIS OBLIGATION MAY NOT BE OWNED BY A UNITED STATES PERSON. ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX

LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF THE UNITED STATES.

No beneficial interest in a Rule 144A Global Certificate may be transferred to a person who takes delivery thereof through an interest in a Regulation S Global Certificate unless the transferor provides to a Transfer Agent with a written certification regarding compliance with certain of such transfer restrictions. Any transfer of a beneficial interest in a Regulation S Global Certificate to a person who takes delivery through an interest in a Rule 144A Global Certificate is also subject to certification requirements by the transferor and each purchaser thereof shall be deemed to represent, and shall be required to affirmatively represent, that such purchaser is a QIB/QP. In addition, interests in any of the Regulation S Notes may not at any time be held by or for the account or benefit of any US Person (as defined in Regulation S).

Issue Price:	The Issue Price will, in respect of each series of Notes (a " Series "), be set out in the applicable Final Terms and/or Drawdown Prospectus (as applicable) (and expressed either as a monetary amount or as a percentage of the aggregate nominal amount, as appropriate). The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the Guarantor at the time of issuance in accordance with prevailing market conditions.
Specified Denomination of the Notes:	The Notes may be issued in such denomination as may be specified in the applicable Final Terms and/or Drawdown Prospectus (as applicable) as at the date of issue (including in amounts of less than USD1 or its equivalent in any other currency), which will, unless otherwise specified in the applicable Final Terms and/or Drawdown Prospectus (as applicable), be the Initial Price of a Share.
Shares:	The Notes will be linked to Shares as specified in the relevant Final Terms and/or Drawdown Prospectus (as applicable).
Final Redemption Amount:	Each Note will be linked to a number of Shares specified in the applicable Final Terms and/or Drawdown Prospectus (as applicable). The Final Redemption Amount of each Note at maturity will be based on the volume weighted average price at which a Hypothetical Investor could have sold the Aggregate Number of Shares on the Exchange during the Valuation Period, as adjusted for conversion of the currency of the Shares to the currency of the Notes at the prevailing spot rate as determined by the Calculation Agent on or about the date of receipt of the sale proceeds by a Hypothetical Investor, and subject to adjustment due to certain adjustment events specified in the Terms and Conditions of the Notes, and after deducting certain costs, expenses and taxes specified in the Terms and Conditions of the Notes.
Early Redemption:	Early redemption will only be permitted prior to maturity in whole but not in part for reasons of illegality or potentially on the occurrence of certain events (being, a Merger Event, Tender Offer, Nationalisation, Liquidation, Delisting, Change of Law, Insolvency, Jurisdictional Event, Trading Failure, Hedging Disruption and CMA Order) as set out in Condition 6 (<i>Adjustments and Additional Redemption Events</i>) and/or upon an Event of Default under Condition 12 (<i>Events of Default</i>).

The Early Redemption Amount shall be calculated in the same manner as the Final Redemption Amount as described above save that the Valuation Date shall be the date following as soon as practicable after the Calculation Agent has become aware of the event leading to the early redemption of the Notes.

Issuer Buy-back/Further Issuer Orders:

If so specified in the relevant Final Terms and/or Drawdown Prospectus (as applicable) (and subject to the exceptions, qualifications and requirements therein, including, without limitation, the state of the market as determined by the Calculation Agent), the Issuer shall at the request of a Noteholder (a) provide indicative bid and ask prices in respect of the Notes, and/or (b) accept a sale order from a Noteholder specifying a certain number of Notes to be sold.

See the section entitled "Form of Final Terms for Notes – Annex – Buy-Back Provision" below for an example of Issuer Buy-back/further Issuer orders provisions.

Settlement Currency:

The Settlement Currency of the Notes is the currency of denomination of the Notes. The Settlement Currency may be different than the currency the Shares or any cash dividend payable thereunder. The weakening of a country's currency relative to the Settlement Currency will negatively affect the value of the Notes.

FX Disruption Condition:

Pursuant to Condition 7 (*FX Disruption Condition*), an FX Disruption Condition comprises certain events that may affect the convertibility or transferability of the Reference Currency for the Settlement Currency (or in relation to an applicable intermediate currency). If an FX Disruption Condition continues to exist for five years after its determination (or, if the Reference Jurisdiction of the Notes is the Kingdom of Saudi Arabia, a period ending on the earlier of (i) such five year anniversary date and (ii) the date falling four years after the Trade Date (notwithstanding that such date may be the Maturity Date of the Notes and therefore no extension of the term of the Notes could occur)), then the Notes shall be deemed to have been redeemed on such date without any payment on the part of the Issuer (or Guarantor) (and without entitlement to any interest) and the Issuer's obligations under the Notes (and the Guarantor's obligations under the Guarantee) shall be deemed to have been discharged in full.

Additional Amounts:

Unless specified as "**not applicable**" in the applicable Final Terms and/or Drawdown Prospectus (as applicable), the Issuer shall pay each Noteholder an Additional Amount (if any) equal to the amount of any cash dividends per Share (as determined by the Calculation Agent in its sole discretion), which would have been received by a Hypothetical Investor (and in respect of which the ex-dividend date has occurred) during the Additional Amount Period specified in the applicable Final Terms and/or Drawdown Prospectus (as applicable), after deduction of taxes, and after conversion thereof into the Settlement Currency of the Notes.

Adjustments:

If (i) certain adjustment events occur which could have a diluting or concentrative effect on the Shares or (ii) certain other events occur (being, a Merger Event, Tender Offer, Insolvency, Jurisdictional Event, Trading Failure, Hedging Disruption and CMA Order), the Calculation Agent may, (other than as a consequence of a Potential Adjustment Event, Merger Event or Tender Offer, in its sole and absolute discretion), make appropriate adjustments to the Terms and Conditions of the relevant Notes, or (in the case of adjustment events under (i) only) issue further Notes (including notes of a different Series) to account for that event (or in the case of (ii), determine that

	the Notes shall be redeemed at their Early Redemption Amount). See Condition 6 (<i>Adjustments and Additional Redemption Events</i>) of the Notes.
Interest:	The Notes are not interest-bearing. However, see "Additional Amounts" above.
Status of Notes:	The Notes will constitute unsubordinated and unsecured obligations of the Issuer as described in Condition 3 (<i>Status and Guarantee</i>).
Status of the Guarantee:	The Notes will be unconditionally and irrevocably guaranteed by the Guarantor, on an unsubordinated and unsecured basis as described in Condition 3 (<i>Status and Guarantee</i>).
Calculation Agent:	EFG-Hermes UAE Limited
Fiscal Agent:	Deutsche Bank AG, London Branch
Registrar:	Deutsche Bank Luxembourg S.A.
US Paying Agent, Transfer Agent, US Registrar and custodian for DTC:	Deutsche Bank Trust Company Americas
Exchange Agent:	Deutsche Bank AG, London Branch
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and DTC or in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms and/or Drawdown Prospectus (as applicable).
Listing and admission to trading:	Any Series of Notes may be admitted to the Official List and trading on the regulated market of the Irish Stock Exchange or may be listed and admitted to trading on any other stock exchange as specified in the relevant Final Terms and/or Drawdown Prospectus (as applicable) and references to listing shall be construed accordingly. As specified in the relevant Final Terms and/or Drawdown Prospectus (as applicable), a Series of Notes may be unlisted.
Taxation:	The Issuer is not liable for or otherwise obliged to pay any tax, duty, charges, withholding or other payment. The Issuer has the right to withhold or deduct such amounts from the Noteholder to pay any such charges due, or to reimburse the Issuer for any payment of such charges.
Governing law:	English law
Enforcement of Notes in Global Form:	In the case of Global Notes and Global Certificates, individual investor rights against the Issuer will be governed by a Deed of Covenant, a copy of which will be available for inspection at the specified offices of the Agents.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom, the British Virgin Islands, Kingdom of Bahrain, Egypt, Hong Kong, Japan, Kuwait, Malaysia, Oman, Qatar, Kingdom of Saudi Arabia, Singapore, United Arab Emirates and the EEA, see "Subscription and Sale" below.

2. Summary of the Risk Factors

Prospective investors should consider carefully the risks set forth below, the other information contained in this Base Prospectus prior to making any investment decision with respect to the Notes. Each of the risks highlighted could have a material adverse effect on the amount of principal and the return, which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes. AS A RESULT, INVESTORS COULD LOSE SOME OR ALL OF THEIR INVESTMENT.

The Notes involve complex risks, which include equity market risks and may include interest rate, foreign exchange and/or political risks.

Before buying Notes, investors should carefully consider, among other things, (i) the trading price of the Shares, (ii) the value and volatility of the Shares, (iii) any change(s) in interim interest rates and dividend yields, (iv) any change(s) in currency exchange rates, (v) the depth of the market or liquidity of the Shares, (vi) the possible range of redemption amounts and (vii) any related transaction costs.

2.1 *Synthetic Investment in the Shares*

Investors should be aware that the Notes provide a synthetic investment in the Shares. Therefore, depending on the performance of the Shares, the value of the Shares at maturity may be substantially lower than when the Notes were initially purchased. There is no assurance that the Final Redemption Amount at maturity will be equal to or more than the purchase price of the Notes. In the worst case, the Notes may redeem at zero, exposing investors to the full loss of their initial investment. If investors have any doubt on the risk level implied, they should consult a professional investment adviser.

The Issuer makes no representation or warranty about, or guarantee of, the performance of the Shares. Past performance of the Shares cannot be considered to be either a guarantee of, or necessarily a guide to, future performance. The value of the Shares may go down as well as up during the term of the Notes.

2.2 *Early Redemption of the Notes*

The Notes may be redeemed in whole but not in part before the Maturity Date upon the occurrence of certain events more particularly described in Conditions 5 (*Redemption and Purchase*), 6 (*Adjustments and Additional Redemption Events*), 7 (*FX Disruption Condition*) and 13 (*Meeting of Noteholders and Modifications*) of the Notes, including, (a) the Issuer's obligations under the Notes become illegal; (b) the occurrence of a Merger Event or Tender Offer; (c) the nationalisation, liquidation or insolvency of the Share Issuer or the delisting or trading failure of the Shares; (d) the illegality or loss of the relevant Hedge Position or the occurrence of any event which reduces or eliminates any Hedge Proceeds or affects the ability of the Issuer or the Hedge Counterparty to establish, maintain or unwind any Hedge Position or make any payments thereunder; (e) certain events in relation to the jurisdiction of the Share Issuer; (f) (where the jurisdiction of the Share Issuer is the Kingdom of Saudi Arabia) a directive from the Capital Market Authority (or any successor or equivalent body) of the Kingdom of Saudi Arabia (the "**Capital Market Authority**") has requested that the Hedge Counterparty (or Issuer) terminate or otherwise modify the Hedge Position or imposes any qualitative or quantitative limitation or any other requirements in relation to the Hedge Position, the Notes or the Guarantee); and/or (g) the occurrence of an Event of Default under the Notes.

Notes that are redeemed before the Maturity Date will be redeemed at their Early Redemption Amount, which is an amount per Note equal to the volume weighted average price at which a Hypothetical Investor could have sold the Aggregate Number of Shares on the Exchange during the Valuation Period in respect of such redemption (after deducting taxes and certain costs and expenses). It is possible that such amount could be less than the purchase price of the Notes and could be as low as zero.

2.3 *No Claim Against a Share Issuer, Share, Hedge Position or Hedge Counterparty*

A Note does not represent a claim against any Share Issuer and, in the event of any loss, a Noteholder will not have recourse under a Note to any Share Issuer nor shall a Noteholder have any legal, beneficial or other interest whatsoever in any of the Shares. In addition, a Note does not represent a claim against any Hedge Counterparty and, in the event of any loss, a Noteholder will not have

recourse under a Note against the Hedge Counterparty nor have any interest whatsoever in the Hedge Position or the Hedge Proceeds.

2.4 *No Voting Rights*

If voting rights are attached to the Shares, neither the Issuer nor any of its affiliates is obliged to take account of the interests of the Noteholders and it is therefore possible that such rights may be exercised in a manner which is contrary to the interests of Noteholders.

In respect of Notes linked to Shares the Share Issuer of which is in the Kingdom of Saudi Arabia, in order to ensure compliance by the relevant Authorised Person acting as Hedge Counterparty with the applicable regulations in the Kingdom of Saudi Arabia with regard to any Hedge Position entered into between the relevant Authorised Person and the Issuer, it is a requirement that the relevant Authorised Person, the Issuer and each investor therein will not have any voting rights in respect of the relevant Shares.

2.5 *Currency Risk and FX Disruption Condition*

The Notes may be denominated in currencies other than the currency of the Shares or any cash dividend payable thereunder. The weakening of a country's currency relative to the Settlement Currency will negatively affect the value of the Notes. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. It is important to note that some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values.

Pursuant to Condition 7 (*FX Disruption Condition*), an FX Disruption Condition comprises certain events that may affect the convertibility or transferability of the Reference Currency for the Settlement Currency (or in relation to an applicable intermediate currency). If an FX Disruption Condition continues to exist for five years after its determination (or, if the Reference Jurisdiction of the Notes is the Kingdom of Saudi Arabia, a period ending on the earlier of (i) such five-year anniversary date and (ii) the date falling four years after the Trade Date (notwithstanding that such date may be the Maturity Date of the Notes and therefore no extension of the term of the Notes could occur)), then the Notes shall be deemed to have been redeemed on such date without any payment on the part of the Issuer (or Guarantor) (and without entitlement to any interest) and the Issuer's obligations under the Notes (and the Guarantor's obligations under the Guarantee) shall be deemed to have been discharged in full.

2.6 *Adjustments to the Terms of the Notes*

The Conditions provide that on the occurrence of certain specified events, more particularly described in Condition 6 (*Adjustment and Additional Redemption Events*) of the Notes, including, (a) the occurrence of a Potential Adjustment Event; (b) the occurrence of a Merger Event or Tender Offer, (c) the insolvency of the Share Issuer, (d) the trading failure of the Shares; (e) the occurrence of any event which reduces or eliminates any Hedge Proceeds or affects the ability of the Issuer or the Hedge Counterparty to establish, maintain or unwind any Hedge Position or make any payments thereunder); (f) certain events in relation to the jurisdiction of the Share Issuer; and (g) (where the jurisdiction of the Share Issuer is the Kingdom of Saudi Arabia) the Capital Market Authority has requested that the Hedge Counterparty (or Issuer) terminate or otherwise modify the Hedge Position or imposes any qualitative or quantitative limitation or any other requirements in relation to the Hedge Position, the Note or the Guarantee, the Calculation Agent may, (other than the events described in (a) and (b) above) in its sole and absolute discretion, make such downward adjustment to any Additional Amount, the Early Redemption Amount and/or the Final Redemption Amount and/or any other adjustment to the terms of the Notes as it shall determine (taking into account the effect of such events on the Hedge Position). Such adjustments may negatively affect the value of any Additional Amount, Early Redemption Amount and/or Final Redemption Amount and/or the value of the Notes and may result in the Noteholder losing some or all of its investment in the Notes.

2.7 *Limited Liquidity of the Notes*

It is highly unlikely that the Notes will trade in the secondary market or that such market will be liquid. If so specified in the relevant Final Terms and/or Drawdown Prospectus (as applicable) (and subject to

the exceptions, qualifications and requirements therein, including, without limitation, the state of the market as determined by the Calculation Agent), the Issuer shall, at the request of a Noteholder, accept a sale order from a Noteholder specifying a certain number of Notes to be sold. However, any such potential sale by the Noteholder will be subject to (among other things) consideration by the Calculation Agent (in its sole and absolute discretion) as to whether market conditions at the relevant time make it impossible or impracticable to provide an indicative bid or ask price and/or to accept or execute such order and any other exceptions, qualifications and requirements as set forth in the relevant Final Terms and/or Drawdown Prospectus (as applicable).

2.8 *Additional Transfer Restriction*

Each purchaser of Notes will be required, as a condition of any purchase of such Notes, to execute a letter substantially in the form set out in "Form of Noteholder Letter" below to the Issuer, the Guarantor and the party specified as the "Authorised Person" therein (if any). In respect of Notes linked to Shares the Share Issuer of which is in the Kingdom of Saudi Arabia, such letter, among other things, authorises any of the Issuer, the Guarantor and the specified Authorised Person to disclose, (amongst other items), the purchaser's identity and the terms of such Notes to the Capital Market Authority and also contains certain authorisations, representations, warranties, confirmations and undertakings that each purchaser is required to make in favour of the Issuer, the Guarantor and the specified Authorised Person. Such letter also contains certain authorisations, representations, warranties, confirmations and undertakings that each purchaser is required to make in respect of US securities laws. The requirement on all purchasers of Notes to provide such letter may adversely affect the ability to transfer the Notes.

2.9 *Market Value of the Notes*

The market value for the Notes will be affected by a number of factors independent of the creditworthiness of the Issuer and the value of the Shares, including but not limited to, the volatility of the Shares, the return rate on the Shares, the financial results and prospects of the relevant Share Issuer, market interest and yield rates and the time remaining to any redemption date or the Maturity Date. In addition, the value of the Shares depends on a number of inter-related factors, including economic, financial and political events in countries where the relevant Share Issuer operates and elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Shares are traded. The price at which a Noteholder will be able to sell Notes prior to maturity may be at a discount, which could be substantial, from the accreted principal amount thereof, if, at such time, the market price of the Shares is below, equal to or not sufficiently above the market price of the Shares at the date of the Final Terms and/or Drawdown Prospectus (as applicable) pursuant to which the relevant Notes were issued.

2.10 *No Provision of Advice*

The Issuer has not provided and will not provide prospective purchasers of Notes with any information or advice with respect to the Shares, the Share Issuer or the Reference Jurisdictions and makes no representation as to the credit quality of the Share Issuer or the Reference Jurisdictions. The Issuer may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Share Issuer or the Reference Jurisdictions, which may not be provided to the Noteholders.

2.11 *Recent Events in Financial Markets*

The global economy is currently being affected by a crisis in the credit markets and is experiencing a general downturn and, in certain countries, a recession.

There exist significant risks for the Issuer and investors as a result of the current economic conditions. These risks include, among others, (i) the possibility that, on or after the Issue Date, the price of the Shares will be lower than the Initial Price (or possibly be zero), and (ii) the possibility that on or after the Issue Date, the Share Issuer, the Hedge Counterparty and/or the Guarantor may be subject to bankruptcy or insolvency proceedings. These additional risks may affect the returns on the Notes to investors and/or the ability of investors to realise their investment in the Notes prior to their stated maturity.

As the credit crisis continues it has had an increasing impact on the economic conditions in a number of jurisdictions. The slow down in growth or commencement of a recession in such economies will have an adverse effect on the business of the Share Issuers and may affect the Guarantor's ability to

make any payments under the Guarantee or the Hedge Counterparty's ability to establish, maintain or unwind any Hedge Position or make any payments thereunder.

It is also possible that one of the effects of the global credit crisis and the failure of financial institutions will be an introduction of a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative instruments. Such additional rules and regulations could adversely affect Noteholders and affect the Guarantor and/or Hedge Counterparty's ability to perform their obligations under the Guarantee or the Hedge Position respectively.

2.12 *Emerging Markets*

An investment in the Notes represents an investment in, among other things, emerging markets. Emerging Markets are located in countries that possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development stage or a weak economy. Emerging markets investments usually result in higher risks such as event risk, political risk, economic risk, credit risk, currency rate risk, market risk, liquidity/gapping risk, regulatory/legal risk, trade settlement, processing and clearing risks and noteholder/shareholder risk as further described below.

2.13 *The Kingdom of Saudi Arabia*

In relation to any Notes linked to Saudi Shares, the Share Issuer of which is in the Kingdom of Saudi Arabia, in order to ensure: (a) compliance by the relevant "Authorised Person" (as described below) with the applicable regulations in the Kingdom of Saudi Arabia with regard to any Hedge Position entered into between the relevant "Authorised Person" acting as Hedge Counterparty and the Issuer and/or (b) that there is no mis-match in relation to the terms of any such Hedge Position (including as such terms may be adjusted and/or such Hedge Position may be terminated by the Capital Market Authority under the applicable regulations from time to time) and the terms of such Notes (and any such Hedge Position is for the benefit of the Issuer, and not for the benefit of any holder of such Notes):

- (a) each purchaser of such Notes will be required to make the additional disclosures and the authorisations, representations, confirmations and undertakings in "Form of Noteholder Letter" below to the Issuer, Guarantor and the party specified as the "Authorised Person" in such letter including authorising the disclosure by such "Authorised Person" of such purchaser's name, country of origin and details of Note holdings to the Capital Market Authority; and
- (b) the terms and conditions of such Notes shall include (amongst other features) that the Calculation Agent may in its sole and absolute discretion adjust the terms and conditions of the Notes and/or cause the redemption of the Notes (in each case, without the consent of Noteholders), as applicable, in order to ensure compliance with the Capital Market Authority and any limitations or other requirements that it may impose from time to time;

Any adjustment and/or early redemption of Notes linked to Shares, the Share Issuer of which is in the Kingdom of Saudi Arabia, may result in the loss of some or all of a purchaser's investment.

RISK FACTORS

Prospective investors should consider carefully the risks set forth below and also the other information contained in this Base Prospectus prior to making any investment decision with respect to the Notes. Each of the risks highlighted could have a material adverse effect on the amount of principal and the return which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

The Notes involve complex risks, which include equity market risks and may include interest rate, foreign exchange and/or political risks.

Before buying Notes, investors should carefully consider, among other things, (i) the trading price of the Shares, (ii) the value and volatility of the Shares, (iii) any change(s) in interim interest rates and dividend yields, (iv) any change(s) in currency exchange rates, (v) the depth of the market or liquidity of the Shares, (vi) the possible range of redemption amounts and (vii) any related transaction costs.

1. Risks relating to the Notes and the Shares

1.1 *Synthetic Investment in the Shares*

Investors should be aware that the Notes provide a synthetic investment in the Shares. Therefore, depending on the performance of the Shares, the value of the Shares at maturity may be substantially lower than when the Notes were initially purchased. There is no assurance that the Final Redemption Amount at maturity will be equal to or more than the purchase price of the Notes. In the worst case, the Notes may redeem at zero, exposing investors to the full loss of their initial investment. If investors have any doubt on the risk level implied, they should consult a professional investment adviser.

The Issuer makes no representation or warranty about, or guarantee of, the performance of the Shares. Past performance of the Shares cannot be considered to be either a guarantee of, or necessarily a guide to, future performance. The value of the Shares may go down as well as up during the term of the Notes.

1.2 *Early Redemption of the Notes*

The Notes may be redeemed in whole but not in part before the Maturity Date upon the occurrence of certain events more particularly described in Conditions 5 (*Redemption and Purchase*), 6 (*Adjustments and Additional Redemption Events*), 7 (*FX Disruption Condition*) and 12 (*Events of Default*) of the Notes, including, (a) the Issuer's obligations under the Notes become illegal; (b) the occurrence of a Merger Event or Tender Offer; (c) the nationalisation or insolvency of the Share Issuer, the delisting of the Shares and/or loss of the relevant Hedge Position; (d) the occurrence of any event which reduces or eliminates any Hedge Proceeds or affects the ability of the Issuer or the Hedge Counterparty to establish, maintain or unwind any Hedge Position or make any payments thereunder; and/or (e) the occurrence of an Event of Default under the Notes.

Notes that are redeemed before the Maturity Date will be redeemed at their Early Redemption Amount, which is an amount per Note equal to the volume weighted average price at which a Hypothetical Investor could have sold the Aggregate Number of Shares on the Exchange during the Valuation Period in respect of such redemption (after deducting taxes and certain costs and expenses). It is possible that such amount could be less than the purchase price of the Notes and could be as low as zero.

1.3 *No claim against a Share Issuer, Share, Hedge Position or Hedge Counterparty*

A Note does not represent a claim against any Share Issuer and, in the event of any loss, a Noteholder will not have recourse under a Note to any Share Issuer nor shall a Noteholder have any legal, beneficial or other interest whatsoever in any of the Shares. In addition, a Note does not represent a claim against any Hedge Counterparty and, in the event of any loss, a Noteholder will not have recourse under a Note against the Hedge Counterparty nor have any interest whatsoever in the Hedge Position or the Hedge Proceeds.

1.4 *No Voting Rights*

If voting rights are attached to the Shares, neither the Issuer nor any of its affiliates is obliged to take account of the interests of the Noteholders and it is therefore possible that such rights may be exercised in a manner which is contrary to the interests of Noteholders.

In respect of Notes Linked to Saudi Shares, in order to ensure compliance by the relevant Authorised Person acting as Hedge Counterparty with the applicable regulations in the Kingdom of Saudi Arabia with regard to any Hedge Position entered into between the relevant Authorised Person and the Issuer, it is a requirement that the relevant Authorised Person, the Issuer and each investor therein will not have any voting rights in respect of the relevant Shares.

1.5 *Currency Risk and FX Disruption Condition*

The Notes may be denominated in currencies other than the currency of the Shares or any cash dividend payable thereunder. The weakening of a country's currency relative to the Settlement Currency will negatively affect the value of the Notes. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. It is important to note that some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency, but may not eliminate completely exposure to changing currency values.

Pursuant to Condition 7 (*FX Disruption Condition*), an FX Disruption Condition comprises certain events that may affect the convertibility or transferability of the Reference Currency for the Settlement Currency (or in relation to an applicable intermediate currency). If an FX Disruption Condition continues to exist for five years after its determination (or, if the Reference Jurisdiction of the Notes is the Kingdom of Saudi Arabia, a period ending on the earlier of (i) such five year anniversary date and (ii) the date falling four years after the Trade Date (notwithstanding that such date may be the Maturity Date of the Notes and therefore no extension of the term of the Notes could occur)), then the Notes shall be deemed to have been redeemed on such date without any payment on the part of the Issuer (or Guarantor) (and without entitlement to any interest) and the Issuer's obligations under the Notes (and the Guarantor's obligations under the Guarantee) shall be deemed to have been discharged in full.

1.6 *Adjustments to the terms of the Notes*

The Conditions provide that on the occurrence of certain specified events, more particularly described in Condition 6 (*Adjustments and Additional Redemption Events*) of the Notes, including, (a) the occurrence of a Potential Adjustment Event, (b) the occurrence of a Merger Event or Tender Offer, (c) the insolvency of the Share Issuer, (d) the trading failure of the Shares, (e) the occurrence of any event which reduces or eliminates any Hedge Proceeds or affects the ability of the Issuer or the Hedge Counterparty to establish, maintain or unwind any Hedge Position or make any payments thereunder), (f) certain events in relation to the jurisdiction of the Share Issuer, and (g) (where the jurisdiction of the Share Issuer is the Kingdom of Saudi Arabia) the Capital Market Authority has requested that the Hedge Counterparty (or Issuer) terminate or otherwise modify the Hedge Position or imposes any qualitative or quantitative limitation or any other requirements in relation to the Hedge Position, the Notes, the Guarantee, the Calculation Agent may, (other than the events described in (a) and (b) above) in its sole and absolute discretion, make such downward adjustment to any Additional Amount, the Early Redemption Amount and/or the Final Redemption Amount and/or any adjustment to the terms of the Notes as it shall determine (taking into account the effect of such events on the Hedge Position). Such adjustments may negatively affect the value of any Additional Amount, Early Redemption Amount and/or Final Redemption Amount and/or the value of the Notes and may result in the Noteholder losing its entire investment in the Notes.

1.7 *The Calculation Agent*

The Conditions provide that the Calculation Agent shall (a) determine the occurrence of certain events which may affect the value of the Notes or any Additional Amount, Early Redemption Amount and/or Final Redemption Amount thereunder and (b) have the power to make certain decisions in respect of the Notes, such as adjustments to the terms thereof or early redemption thereof. The Calculation Agent acts solely as agent of the Issuer and the Guarantor and does not assume any obligations or duty to, or

relationship of agency or trust for or with, any Noteholder. In making any determination or exercising any discretion, the Calculation Agent is not obliged to consider the interests of any Noteholder and no liability shall attach to the Calculation Agent, the Issuer, the Guarantor or any of the Agents for good faith errors or omissions in the Calculation Agent's calculations and determinations.

Any matter that falls to be determined, considered or otherwise decided upon by the Calculation Agent or any other person (including, where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), shall be decided upon by the Calculation Agent or such other person as the case may be in its sole and absolute discretion (where such manner is specifically provided in the relevant terms and conditions - otherwise the Calculation Agent shall exercise its discretion in good faith and in a commercially reasonable manner), taking into account any market factors and other factors as the Calculation Agent or such other person deems relevant including, without limitation, the Issuer's Hedge Position (including, without limitation, any impact on such position, the ability to retain such position and the cost of unwinding any such position).

1.8 ***The Notes are Unsecured Obligations***

The Notes constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and rank equally among themselves and rank equally (subject to exceptions as are from time to time provided by applicable laws) with all other present and future direct, unsubordinated, unconditional and unsecured indebtedness or obligations, as applicable, of the Issuer.

The obligations of EFG-Hermes Holding S.A.E. under the Guarantee, save for such exceptions as may be provided by applicable legislation or judicial order, rank *pari passu* with its other present and future unsecured and unsubordinated indebtedness.

Since EFG-Hermes Holding S.A.E. is a holding company, the right of EFG-Hermes Holding S.A.E., and hence the right of creditors of EFG-Hermes Holding S.A.E. (including the Noteholders), to participate in any distribution of the assets of any subsidiary (including the Issuer) upon its liquidation or reorganisation or otherwise is necessarily subject to Egyptian insolvency law.

1.9 ***Limited Liquidity of the Notes***

It is highly unlikely that the Notes will trade in the secondary market or that such market will be liquid. If so specified in the relevant Final Terms and/or Drawdown Prospectus (as applicable) (and subject to the exceptions, qualifications and requirements therein, including, without limitation, the state of the market as determined by the Calculation Agent), the Issuer shall, at the request of a Noteholder, accept a sale order from a Noteholder specifying a certain number of Notes to be sold. However, any such potential sale by the Noteholder will be subject to (among other things) consideration by the Calculation Agent (in its sole and absolute discretion) as to whether market conditions at the relevant time make it impossible or impracticable to provide an indicative bid or ask price and/or to accept or execute such order and any other exceptions, qualifications and requirements as set forth in the relevant Final Terms and/or Drawdown Prospectus (as applicable).

1.10 ***Market Value of the Notes***

The market value for the Notes will be affected by a number of factors independent of the creditworthiness of the Issuer and the value of the Shares, including but not limited to, the volatility of the Shares, the return rate on the Shares, the financial results and prospects of the relevant Share Issuer, market interest and yield rates and the time remaining to any redemption date or the Maturity Date. In addition, the value of the Shares depends on a number of inter-related factors, including economic, financial and political events in countries where the relevant Share Issuer operates and elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Shares are traded. The price at which a Noteholder will be able to sell Notes prior to maturity may be at a discount, which could be substantial, from the accreted principal amount thereof, if, at such time, the market price of the Shares is below, equal to or not sufficiently above the market price of the Shares at the date of the Final Terms and/or Drawdown Prospectus (as applicable) pursuant to which the relevant Notes were issued.

1.11 *No provision of advice*

The Issuer has not provided and will not provide prospective purchasers of Notes with any information or advice with respect to the Shares, the Share Issuer or the Reference Jurisdictions and makes no representation as to the credit quality of the Share Issuer or the Reference Jurisdictions. The Issuer may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Share Issuer or the Reference Jurisdictions, which may not be provided to the Noteholders.

1.12 *Additional Transfer Restriction*

Each purchaser of Notes will be required, as a condition of any purchase of such Notes, to execute a letter substantially in the form set out in "Form of Noteholder Letter" below to the Issuer, the Guarantor and the party specified as the "Authorised Person" (if any) therein. In respect of Notes linked to Shares, the Share Issuer of which is in the Kingdom of Saudi Arabia ("**Notes Linked to Saudi Shares**"), such letter, among other things, authorises any of the Issuer, the Guarantor and the specified "Authorised Person" to disclose (amongst other items) the purchaser's identity and the terms of such Notes to the Capital Market Authority and also contains certain authorisations, representations, warranties, confirmations and undertakings that each purchaser is required to make in favour of the Issuer, the Guarantor and the specified "Authorised Person". Such letter also contains certain authorisations, representations, warranties, confirmations and undertakings that each purchaser is required to make in respect of US securities laws. The requirement on all purchasers of Notes to provide such letter may adversely affect the ability to transfer the Notes.

2. **Conflicts of Interest**

2.1 *EFG-Hermes MENA Securities Limited and EFG-Hermes Holding S.A.E. are subject to various potential conflicts of interest in respect of the Notes, which could have an adverse effect on the Notes.*

- (a) *The EFG-Hermes MENA Securities Limited and the EFG-Hermes Holding S.A.E. may take positions in or deal with the Share(s)*

In the ordinary course of their business, whether or not there will be any secondary market-making activities, the Issuer and the Guarantor may effect transactions for their own account or for the account of their customers and hold long or short positions in the Share(s). In addition, in connection with the offering of Notes, the Issuer and the Guarantor may enter into one or more hedging transactions with respect to the Share(s). In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and the Guarantor, the Issuer and the Guarantor may enter into transactions in the Shares which may adversely (or positively) affect price, liquidity or value of the relevant Notes and which could therefore be adverse to the interests of the relevant holders.

- (b) *The Calculation Agent, which will generally be an affiliate of EFG-Hermes Holding S.A.E., has broad discretionary powers which may be exercised against the interest of the holders*

As the Calculation Agent will generally be an affiliate of the Guarantor, potential conflicts of interest may exist between the Calculation Agent and the holders, including with respect to the exercise of the very broad discretionary powers of the Calculation Agent. For example, the Calculation Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to a series of Notes have occurred, and (ii) to determine any resulting adjustments and calculations or substitutions or early redemption as described in such conditions. Prospective purchasers should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Notes. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest or proven error) shall be binding on the Issuer and all holders, and shall be exercised by the Calculation Agent in its sole and absolute discretion (where such manner is specifically provided in the relevant terms and conditions, otherwise the Calculation Agent shall exercise its discretion in good faith and in a commercially reasonable manner), taking into account any market factors and other factors as the Calculation Agent or such other person deems relevant including, without limitation, any Hedge Position (including, without

limitation, any impact on such position, the ability to retain such position and the cost of unwinding any such position).

(c) *EFG-Hermes entities may have confidential information relating to the Share(s) and the Notes*

Certain affiliates of the Issuer and the Guarantor (the "**EFG-Hermes Group**") may from time to time, by virtue of their status as underwriter, adviser or otherwise, possess or have access to information relating to the Notes and the Share(s) and any derivative Notes referencing them. Such entities will not be obliged to disclose any such information to a purchaser of the Notes.

2.2 *Fees*

In connection with the placement and distribution of the Notes, the Issuer may pay to distributors of Notes (which may include affiliates of the Issuer) such commissions or fees as such parties may agree (including in the form of a discount to the purchase price of such Notes).

2.3 *Other Factors*

Transactions involving Notes may have tax consequences for potential purchasers which may depend, among other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes. No representation is made by the Issuer or any Dealer as to the tax consequences for any person of acquiring, holding or disposing of any Notes or any other transaction involving any Notes. Potential purchasers who are in any doubt about such matters or any other tax issues relating to Notes should consult and rely on their own tax advisers.

3. **General Risks and Risk relating to Emerging Markets**

3.1 *Recent Events in Financial Markets*

The global economy is currently being affected by a crisis in the credit markets and is experiencing a general downturn and, in certain countries, a recession.

There exist significant risks for the Issuer and investors as a result of the current economic conditions. These risks include, among others, (i) the possibility that, on or after the Issue Date, the price of the Shares will be lower than the Initial Price (or possibly be zero), and (ii) the possibility that on or after the Issue Date, the Share Issuer, the Hedge Counterparty and/or the Guarantor may be subject to bankruptcy or insolvency proceedings. These additional risks may affect the returns on the Notes to investors and/or the ability of investors to realise their investment in the Notes prior to their stated maturity.

As the credit crisis continues it has had an increasing impact on the economic conditions in a number of jurisdictions. The slow down in growth or commencement of a recession in such economies will have an adverse effect on the business of the Share Issuers and may affect the Guarantor's ability to make any payments under the Guarantee or the Hedge Counterparty's ability to establish, maintain or unwind any Hedge Position or make any payments thereunder.

It is also possible that one of the effects of the global credit crisis and the failure of financial institutions will be an introduction of a significantly more restrictive regulatory environment including the implementation of new accounting and capital adequacy rules in addition to further regulation of derivative instruments. Such additional rules and regulations could adversely affect Noteholders and affect the Guarantor and/or Hedge Counterparty's ability to perform their obligations under the Guarantee or the Hedge Position respectively.

3.2 *Emerging Markets*

An investment in the Notes represents an investment in, among other things, emerging markets. Emerging Markets are located in countries that possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development stage or a weak economy. Emerging markets investments usually result in higher risks such as event risk, political risk, economic risk, credit risk,

currency rate risk, market risk, liquidity/gapping risk, regulatory/legal risk, trade settlement, processing and clearing risks and noteholder/shareholder risk as further described below.

3.3 ***Event Risk***

On occasion, a country or region will suffer an unforeseen catastrophic event (for example, a natural disaster) which causes disturbances in its financial markets, including rapid movements in its currency, that will effect the value of securities in, or which relate to, that country. Furthermore, the value of the Shares, and in turn the Notes, and any income derived therefrom can be effected by global events, including events (political, economic or otherwise) occurring in a country other than that in which the Notes are issued or traded.

3.4 ***Political Risk***

Many emerging markets countries are undergoing, or have undergone in recent years, significant political change which has affected government policy, including the regulation of industry, trade, financial markets and foreign and domestic investment. The relative inexperience with such policies and instability of these political systems leaves them more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform, political or diplomatic developments, social, ethnic, or religious instability or changes in government policies. Such circumstances, in turn, could lead to a reversal of some or all political reforms, a backlash against foreign investment, and possibly even a turn away from a market-oriented economy. For Noteholders, the results may include confiscatory taxation, exchange controls, compulsory re-acquisition, nationalisation or expropriation of foreign-owned assets without adequate compensation or the restructuring of particular industry sectors in a way that could adversely affect investments in those sectors. Any perceived, actual or expected disruptions or changes in government policies of a country, by elections or otherwise, can have a major impact on the value of the Shares, and in turn the Notes, linked to those countries.

3.5 ***Economic Risk***

The economies of emerging markets countries are by their nature in early or intermediate stages of economic development, and therefore more vulnerable to rising interest rates and inflation. In fact, in many countries, high interest and inflation rates are the norm. Rates of economic growth, corporate profits, domestic and international flows of funds, external and sovereign debt, dependence on international trade, and sensitivity to world commodity prices play key roles in economic development, yet vary greatly from country to country. Businesses and governments in these countries may have a limited history of operating under market conditions. Accordingly, when compared to more developed countries, businesses and governments of emerging markets countries are relatively inexperienced in dealing with market conditions and have a limited capital base from which to borrow funds and develop their operations and economies. In addition, the lack of an economically feasible tax regime in certain countries poses the risk of sudden imposition of arbitrary or excessive taxes, which could adversely affect foreign Noteholders. Furthermore, many emerging markets countries lack a strong infrastructure and banks and other financial institutions may not be well-developed or well regulated. All of the above factors, among others, can affect the proper functioning of the economy and have a corresponding adverse effect on the performance of the Shares, and in turn the Notes, linked to a particular market.

3.6 ***Market Risk***

The emerging equity and debt markets of many emerging markets countries, like their economies, are in the early stages of development. These financial markets generally lack the level of transparency, liquidity, efficiency and regulation found in more developed markets. It is important, therefore, to be familiar with secondary market trading in emerging markets securities and the terminology and conventions applicable to transactions in these markets.

Price volatility in many of these markets can be extreme. Price discrepancies can be common and market dislocation is not uncommon. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. These markets also might not have regulations governing manipulation and insider trading or other provisions designed to "level the playing field" with respect to the availability of information and the use or misuse thereof in such markets. It may be difficult to employ certain risk

management practices for emerging markets securities, such as forward currency exchange contracts, stock options, currency options, stock and stock index options, futures contracts and options on futures contracts.

3.7 *Liquidity/Gapping Risk*

Liquidity of the Shares is directly affected by the supply and demand for those Shares. As the supply of potential sellers increases or demand by potential buyers decreases, or both, liquidity of the Shares will decrease and bid/offer spreads will generally widen. In respect of certain Shares, because of their structure, liquidity is affected by the costs of unwinding an imbedded transaction. Natural disasters and economic, social, and political developments in a country can cause a decrease in the liquidity of investments related to that country, thereby making it difficult to sell promptly at an acceptable price. In addition, the failure, pending failure or financial difficulties of an entity holding significant positions in certain types of securities may trigger a decrease in the liquidity and value of the same or similar type of securities. The sale of certain Shares, including illiquid Shares, could also be subject to legal restrictions in some countries.

3.8 *Regulatory/Legal Risk*

In emerging markets countries there is generally less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers and issuers than in more developed countries. Whatever supervision is in place may be subject to manipulation or control. Many countries have mature legal systems comparable to those of more developed countries, while others do not. The process of regulatory and legal reform may not proceed at the same pace as market developments, which could result in confusion and uncertainty and, ultimately, increased investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain areas, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that a foreign Noteholder would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. A Noteholder may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in foreign courts.

3.9 *Trade Settlement, Processing and Clearing*

Many emerging markets have different clearance and settlement procedures from those in more developed countries. For many emerging markets securities, there is no central clearing mechanism for settling trades and no central depository or custodian for the safe keeping of securities. Custodians can include domestic and foreign custodian banks and depositories, among others. The registration, recordkeeping and transfer of Notes may be carried out manually, which may cause delays in the recording of ownership. Where applicable, the Issuer will settle trades in emerging markets securities in accordance with the current market practice developed for such transactions by the Emerging Markets Traders Association ("**EMTA**"). Otherwise, the transaction may be settled in accordance with the practice and procedure (to the extent applicable) of the relevant market. There are times when settlement dates are extended, and during the interim the market value of the Shares, and in turn the Notes, may change. Moreover, certain markets have experienced times when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardised settlement procedures, settlement risk is more prominent than in more mature markets. In addition, Noteholders may be subject to operational risks in the event that Noteholders do not have in place appropriate internal systems and controls to monitor the various risks, funding and other requirements to which Noteholders may be subject by virtue of their activities with respect to emerging market securities.

3.10 *Noteholder/Shareholder Risk*

Rules in emerging markets countries regulating the ownership and corporate governance of companies (for example, requiring the disclosure of large ownership positions or governing tender offers by majority shareholders) may not exist or may provide little protection to noteholders and shareholders. Disclosure and reporting requirements in general, from annual and quarterly reports to prospectus content and delivery, may be minimal or non-existent. Antifraud and insider trading law is generally not very developed in many emerging markets countries. There may be no prohibitions or restrictions under local law on the ability of management to terminate existing business operations, sell or dispose of assets, or otherwise materially affect the value of the company without the consent of its shareholders. Antidilution protection may also be very limited. There may be no fiduciary duty, or a limited concept of fiduciary duty, on the part of management or the directors to the company or to the shareholders as a whole or minority shareholders. Remedies for violations of shareholders' rights may be difficult to obtain because of the absence of a system of derivative or class action litigation.

The amount payable under the Notes may be reduced if the value of the proceeds of the Issuer's hedging arrangements are reduced as a result of various matters relating to risks connected with the relevant country or countries specified as Reference Jurisdictions.

3.11 *The Kingdom of Saudi Arabia*

The Capital Market Authority regulates share dealing and associated activities in the Kingdom of Saudi Arabia. Pursuant to Capital Market Authority Board of Commissioners resolution number 2-28-2008 as published by the Capital Market Authority in its Circular for Authorized Persons to Enter into Swap Agreements dated 17/8/1429H corresponding to 18/8/2008G, as amended by Board of Commissioners resolution number 3-10-2010 dated 30/3/1431H corresponding to 16/3/2010G (the "**CMA Resolution**"), "Authorised Persons" may enter into derivative transactions with non-resident foreign investors, whether institutions or individuals, to transfer certain economic benefits of Saudi companies' shares listed on the Saudi Stock Exchange (Tadawul), while the relevant Authorised Persons retain the legal ownership of such shares, all on the terms and conditions set forth in the CMA Resolution. A copy of the CMA Resolution may be obtained on request from the Dealer.

In respect of any Notes Linked to Saudi Shares, the Issuer may (but shall be under no obligation under the Notes to) establish a Hedge Position in respect of its obligations under such Notes including the appointment of an "Authorised Person" as Hedge Counterparty which may hold a position in the relevant Shares. Any such Hedge Position would be subject to the terms and conditions of the CMA Resolution, and the relevant "Authorised Person" would be required to (among other things) (a) provide certain information on beneficiaries who obtain the economic benefits of such Saudi Shares and (b) adjust the terms of the Hedge Position or terminate the Hedge Position where required from time to time by the Capital Market Authority.

In relation to any Notes Linked to Saudi Shares, in order to ensure (a) compliance by the relevant Authorised Person with the CMA Resolution in relation to any Hedge Position entered into between the Authorised Person and the Issuer and/or (b) that there is no mis-match in relation to the terms of any such Hedge Position (including as such terms may be adjusted and/or such Hedge Position may be terminated by the Capital Market Authority from time to time) and the terms of such Notes (and, as noted above, any such Hedge Position is for the benefit of the Issuer, and not for the benefit of any holder of Notes Linked to Saudi Shares):

- (a) each purchaser of Notes Linked to Saudi Shares will be required to make the additional disclosures and the authorisations, representations, confirmations and undertakings in "Form of Noteholder Letter" below to the Issuer, Guarantor and the party specified as the "Authorised Person" including:
 - (i) authorising the relevant "Authorised Person" to disclose such purchaser's name, country of origin, details of Note holdings and any other information requested by the Capital Market Authority to the Capital Market Authority; and
 - (ii) representing that the purchaser is a "non-resident foreign investor" for the purposes of the CMA Resolution; and
- (b) the terms and conditions of Notes Linked to Saudi Shares shall include the following:

- (i) the Calculation Agent under the Notes may in its sole and absolute discretion adjust the terms and conditions of the Notes and/or cause the redemption of the Notes (in each case, without the consent of Noteholders), as applicable, in order to ensure compliance with any limitations or other requirements that the Capital Market Authority may impose from time to time;
- (ii) Pursuant to the CMA Resolution and Part 7 of the Authorised Persons Regulations, the Authorised Person holding Saudi Shares as part of a Hedge Position is required to treat them as client assets of the Issuer and thus will segregate them from its own assets (for the avoidance of doubt, Noteholders do not have any legal, beneficial or other interest whatsoever in Saudi Shares or any claim whatsoever against any Authorised Person holding such Saudi Shares or against the Hedge Position. See paragraph 1.3 (*No claim against a Share Issuer, Share, Hedge Position or Hedge Counterparty*) above);
- (iii) the Authorised Person holding the relevant Saudi Shares is prohibited from exercising voting rights in respect of such Shares (and, for the avoidance of doubt, as set out under paragraph 1.4 (*No Voting Rights*) above, Noteholders will not have any voting rights in respect of Shares); and
- (iv) the term of each Note must not be greater than four years from the Trade Date specified in the relevant Final Terms.

Any adjustment and/or early redemption of Notes Linked to Saudi Shares (as described in (b)(i) above) may result in the loss of some or all of a purchaser's investment.

See "Terms and Conditions of the Notes" and "Form of Noteholder Letter" below.

4. US Securities Regulation and Taxation

4.1 *Currency of Payments in respect of the Rule 144A Notes*

Noteholders should be aware that interests in the Rule 144A Notes are held by a nominee for DTC and all payments in respect of such Rule 144A Notes will be made in US Dollars. A holder of an interest through DTC in a Rule 144A Note may make an application to DTC to have payment or payments under such Rule 144A Notes made in Euro.

4.2 *Investment Company Act*

The Issuer has not registered with the United States Securities and Exchange Commission (the "SEC") as an investment company pursuant to the Investment Company Act, in reliance on an exemption under Section 3(c)(7) of the Investment Company Act for investment companies (a) whose outstanding securities are beneficially owned only by "qualified purchasers" (within the meaning given to such term in the Investment Company Act and the regulations of the SEC promulgated thereunder) and certain transferees thereof identified in Rule 3c-6 of the Investment Company Act and (b) which do not make a public offering of their securities in the United States.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but in violation of the Investment Company Act, had failed, to register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in, or whose performance involves, violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected.

4.3 *Forced Transfer*

The Notes are subject to certain transfer restrictions and can be transferred only to certain transferees. See "Subscription and Sale" and "Transfer Restrictions". Such restrictions on the transfer of the Notes may further limit their liquidity.

If the Issuer determines at any time that any holder of Rule 144A Notes is not a QIB/QP or that any holder of the Notes has made or been deemed to have made an ERISA related representation that is false or misleading (any such person, a "**Non-Permitted Holder**"), the Issuer shall direct such holder to sell or transfer its Notes to a person who is not a Non-Permitted Holder within 14 days following receipt of such notice. If such holder fails to sell or transfer its Notes within such period, the Issuer shall cause such Notes to be sold to a purchaser selected by the Issuer that certifies to the Issuer that such purchaser is not a Non-Permitted Holder, on such terms as the Issuer may choose and, pending such transfer, no further payments will be made in respect of such Notes. The terms and conditions of any such sale shall be determined in the sole and absolute discretion of the Issuer and the Issuer shall not be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion.

4.4 *Taxation of the Issuer*

The Directors intend to conduct the affairs of the Issuer in such a manner as to minimise, so far as they consider reasonably practicable, taxation suffered by the Issuer. This will include conducting the affairs of the Issuer so that, to the extent that it is within the capacity of the Directors and the Issuer, the Issuer is at all times resident in the British Virgin Islands for taxation purposes. There can be no assurance, however, that the Issuer's income (particularly any US Source Income it may derive) will not become subject to net income or withholding taxes in the United States or other countries as a result of unanticipated activities by the Issuer, changes in law, contrary conclusions by relevant tax authorities or other causes.

4.5 *Taxation of US Holders*

As further discussed in "United States Federal Income Taxation" (see "Taxation") herein, the characterisation of the Notes for US federal income tax purposes is unclear. The Form of Noteholder Letter provides that by acceptance of its interest in a Note, each US Holder is deemed to agree to treat the Notes as equity interests in the Issuer for all US federal income tax purposes unless the IRS determines that such treatment is not permissible. It is likely that the Issuer will be a "passive foreign investment company" or "PFIC" for US federal income tax purposes. Further, US Holders should be aware, however, that all income on the Notes, including all gain on the sale or other taxable disposition of a Note will likely be ordinary income and it is possible that a US Holder of a Note will be treated as earning income at a rate faster than the rate at which Additional Amounts are made on the Notes. Further, under some possible characterisations of the Notes, a holder of a Note that is not a corporation may recognise in any year "phantom income" (income that does not relate to any cash distributions it receives) that is not offset by taxable losses in a later year. Thus, prospective purchasers of the Notes that are not corporations (and that are or would be US Holders) are urged to consult with their own tax advisors regarding the characterisation of the Notes and whether the Notes are a suitable investment for them.

4.6 *New US. Tax legislation—Considerations for both US and Non-US holders*

A recently enacted US tax law (the "**New U.S. Tax Law**") could impose withholding taxes on certain payments made to the Issuer on its assets and certain payments made by the Issuer on the Notes. Broadly, the New US Tax Law may require, on or after 1 January 2013, a payor to the Issuer of "US source interest," "US source dividends," or "other US source periodic income" (and of proceeds from the sale of assets that produce US source interest or US source dividends) (together, "**US Source Income**") to withhold 30 per cent. from such payments unless the Issuer (and certain intermediaries) meets certain reporting requirements regarding its direct and indirect US Holders. As the Issuer may, from time to time, hold assets that give rise to US Source Income, it is anticipated that the Issuer will seek to comply with such reporting requirements.

In complying with the new reporting requirements, the Issuer anticipates that it will enter into an agreement with the IRS under which it will be required to, among other things, (i) obtain from Non-US Holder of a Note satisfactory documentation (to be determined) that it is not a US Person (ii) obtain from any US Holder of a Note its name, address and taxpayer identification number. (iii) provide certain information to the IRS about its direct and indirect US Holders, and (iv) agree to withhold (or cause to be withheld) 30 per cent. of certain payments made to any "Recalcitrant Holders" (as described below) that are indirectly receiving US Source Income. In addition, a Recalcitrant Holder may be subject to the forced sale or redemption of its Notes. In addition, a Recalcitrant Holder may be

subject to the forced sale or redemption of its Notes as described in Condition 2(h) (*New US Tax legislation – Application to both US and Non-US holders*) in the "**Terms and Conditions**".

A "**Recalcitrant Holder**" generally is a holder of a Note that fails to comply with reasonable requests for information that will help enable the Issuer to comply with its reporting requirements described immediately above.

Prospective investors should read section 3.2(c) (*United States Federal Income Taxation—Tax Treatment of the Issuer—New US Tax Legislation—Considerations for both US and Non-US holders*) under "Taxation".

USE OF PROCEEDS

Unless otherwise specified in the Final Terms and/or Drawdown Prospectus (as applicable), the new proceeds from each issue of Notes will be used by the Issuer to hedge the obligations of the Issuer under the Notes. If in respect of any particular issue there is a particular identified use, this will be stated in the Final Terms and/or Drawdown Prospectus (as applicable).

TERMS AND CONDITIONS OF THE NOTES

The following (other than any provisions set out in italicised text) are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note or each Global Certificate, as the case may be, and each definitive Note, in the latter case only if permitted by the rules of the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto the following Terms and Conditions. The applicable Final Terms and/or Drawdown Prospectus (as defined below), as the case may be, in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified and/or to the extent inconsistent with the following Terms and Conditions, supplement and/or amend and/or replace the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms and/or Drawdown Prospectus, as applicable, (or the relevant provisions thereof) will be endorsed upon, or attached to, the applicable Global Note or Global Certificate, as the case may be, and each definitive Note. Reference should be made to "Form of Final Terms for Notes" for a description of the content of Final Terms and/or the Drawdown Prospectus which will include the definitions of certain terms used in the following Terms and Conditions and/or will specify which of such terms are to apply in relation to the relevant Notes. "Drawdown Prospectus" means any prospectus prepared in connection with a particular Tranche of Notes and approved by a competent authority for the purposes of the Prospectus Directive, and in each case includes any supplements thereto and notices related thereto.

1. Introduction

- (a) *Programme*: EFG-Hermes MENA Securities Limited (the "**Issuer**") has established a programme (the "**Programme**") for the issuance of Notes guaranteed by EFG-Hermes Holding S.A.E. (the "**Guarantor**").
- (b) *Notes*: References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:
- (i) in relation to any Notes in bearer form ("**Bearer Notes**") represented by a temporary or permanent global Note (each, a "**Global Note**"), units of the lowest Specified Denomination in the Specified Currency;
 - (ii) any Global Note;
 - (iii) any definitive Bearer Notes issued in exchange for a Global Note;
 - (iv) in relation to any Notes in registered form ("**Registered Notes**") represented by a permanent 144A Global Certificate (a "**Rule 144A Global Certificate**") or by a permanent Regulation S Global Certificate (a "**Regulation S Global Certificate**") (the Regulation S Global Certificates together with the Rule 144A Global Certificates, the "**Global Certificates**"), units of the lowest Specified Denomination in the Specified Currency;
 - (v) any Regulation S Global Certificate or Rule 144A Global Certificate; and
 - (vi) any definitive Registered Notes issued in exchange for a Global Certificate.
- (c) *Final Terms*: Notes issued under the Programme are issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these Terms and Conditions of the Notes (the "**General Terms and Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these General Terms and Conditions, as supplemented and/or amended and/or replaced by the applicable Final Terms (the General Terms and Conditions as so supplemented and/or amended and/or replaced by the applicable Final Terms in relation to a particular Tranche of Notes, the "**Conditions**" of such Notes). In the event of any inconsistency between these Conditions and the applicable Final Terms, the applicable Final Terms will prevail. In the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail. References to the "**applicable Final Terms**" or to the "**relevant Final Terms**" are to the Final

Terms (or the relevant provisions thereof) or to the Drawdown Prospectus (as applicable) attached to or endorsed on this Note.

- (d) *Agency Agreement:* The Notes are issued pursuant to an amended and restated agency agreement dated on or about 12 November 2010 as amended and/or supplemented as at the issue date specified in the Final Terms (the "**Agency Agreement**") between the Issuer, Deutsche Bank AG, London Branch as fiscal agent and exchange agent, Deutsche Bank Trust Company Americas as US paying agent, US registrar and transfer agent, Deutsche Bank Luxembourg S.A. as Registrar and the other parties named in it. The fiscal agent, the US paying agent, the registrar, the US registrar, the transfer agent, the exchange agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**US Paying Agent**" (together the "**Paying Agents**"), the "**Registrar**", the "**US Registrar**", the "**Transfer Agent**", the "**Exchange Agent**", and the "**Calculation Agent(s)**" (together the "**Agents**").
- (e) *Deed of Covenant:* The Notes have the benefit of a deed of covenant dated 16 November 2009 as amended and/or supplemented as at the Issue Date (the "**Deed of Covenant**").
- (f) *Deed of Guarantee:* The Notes are the subject of a deed of guarantee dated 12 November 2010 as amended and/or supplemented as at the Issue Date (the "**Deed of Guarantee**") entered into by the Guarantor.
- (g) *Noteholders:* Subject as provided in Conditions 2(b)(i) and 2(b)(iv) below, any reference to "**Noteholder(s)**" or "**holder(s)**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose names the Notes are registered and shall, in relation to any Notes represented by a Global Note or a Global Certificate, as the case may be, be construed as provided below.
- (h) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Guarantee and are subject to their detailed provisions. The Noteholders are bound by and are deemed to have notice of all of the provisions of the Agency Agreement and the Deed of Guarantee applicable to them. Copies of the Agency Agreement and the Deed of Guarantee are available for inspection at the specified offices of each of the Fiscal Agent, the US Paying Agent, the Registrar and the Transfer Agent.

2. **Form, Denomination and Title**

- (a) *Form and Denomination:* The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

- (b) *Transfer and Title:*

- (i) **Bearer Notes and Registered Notes**

Subject as set out in Condition 2(b)(iv) below, title to the Bearer Notes will pass by delivery and in accordance with applicable law, and title to the Registered Notes will pass upon registration of transfers in accordance with the Conditions of the Notes and the provisions of the Agency Agreement. Subject as set out below, the bearer of any Bearer Note and the registered holder of any Registered Note will (except as otherwise required by law or ordered by a court of competent jurisdiction or an official authority) be treated as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes.

- (ii) **Global Notes**

If the Notes are Bearer Notes, the Notes will (as indicated in the applicable Final Terms) either (a) initially be represented by a temporary global note (a "**Temporary Global Note**"), or (b) be represented by a permanent global note (a "**Permanent Global Note**"), in each case which will be deposited on the Issue Date with a common

depository on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Beneficial interests in a Temporary Global Note will be exchangeable (as specified in the applicable Final Terms) in whole or in part (free of charge) upon a request as described therein for beneficial interests in a Permanent Global Note on or after the date (the "**Exchange Date**") which is the later of (i) 40 days after the date on which the Temporary Global Note is issued and (ii) expiry of the applicable Distribution Compliance Period (as defined in Regulation S) and, unless otherwise specified in the applicable Final Terms, upon certification as to non-US beneficial ownership as required by US Treasury regulations, provided that no such certification will be required if one has been provided prior to the Exchange Date in accordance with Condition 8(b).

(iii) Registered Notes, Regulation S Global Certificates and Rule 144A Global Certificates

Unless otherwise provided in the relevant Final Terms, Registered Notes sold outside the United States to non-US persons (as defined in Regulation S) in reliance on Regulation S will be represented by a Regulation S Global Certificate registered in the name of a nominee for, and deposited with a common depository on behalf of, Euroclear and Clearstream, Luxembourg. Prior to expiry of the applicable Distribution Compliance Period required by Regulation S, beneficial interests in a Regulation S Global Certificate may not be held otherwise than through Euroclear and Clearstream, Luxembourg.

Unless otherwise provided in the relevant Final Terms, Registered Notes offered, sold or delivered within the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S) will be evidenced by a Rule 144A Global Certificate, without interest coupons, which will be deposited with a custodian for, and registered in the name of a nominee of, DTC, on the Issue Date and will be offered, sold or delivered only to QIB/QPs in private transactions exempt from the registration requirements of the Securities Act.

(iv) Global Notes and Global Certificates

For so long as any of the Notes is represented by a Global Note or a Global Certificate, as the case may be, held on behalf of Euroclear, Clearstream, Luxembourg or DTC, a person (other than Euroclear or Clearstream, Luxembourg or DTC) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the holder of a particular principal amount of such Notes (in which regard any certificate or document issued by Euroclear, Clearstream, Luxembourg or DTC as to the principal amount of such Notes 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 Issuer, the Guarantor and the Agents as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest (if any) or any Additional Amount on such Notes, for which purpose (X) (if the Notes are Bearer Notes) the bearer or (Y) (if the Notes are Registered Notes) the common depository or DTC or its nominee in respect of the relevant Registered Notes, shall be treated by the Issuer, the Guarantor and any Agent as the holder of such principal amount of such Notes in accordance with and subject to the terms of the Global Note, or as the case may be, Global Certificate; and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly. Notes which are represented by a Global Note or a Global Certificate, as the case may be, will be transferred only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or DTC as the case may be. References to Euroclear, Clearstream, Luxembourg or DTC shall, wherever the context so permits, be deemed to include a reference to any additional or alternative clearing system.

(v) Exchange of Global Notes and Global Certificates for Definitive Notes

(A) A Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes only upon (as indicated in the applicable Final

Terms) the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" shall mean that (i) an Event of Default has occurred and is continuing or (ii) the Issuer has been notified by the Fiscal Agent 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.

- (B) A Global Certificate will be exchangeable (free of charge), in whole but not in part, in the case of a Regulation S Global Certificate or a Rule 144A Global Certificate, for a definitive Registered Note only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" shall mean that (i) an Event of Default has occurred and is continuing or (ii) the Issuer has been notified by the Fiscal Agent that (in the case of a Regulation S Global Certificate) both Euroclear and Clearstream, Luxembourg have or (in the case of a Rule 144A Global Certificate) DTC has, 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.
- (c) *Registration:* The Issuer will cause to be kept at the specified office of the Registrar (in the case of Regulation S Notes which are Registered Notes) or the US Registrar (in the case of Rule 144A Notes), as the case may be, outside the United Kingdom for the time being a register (the "**Register**") on which shall be entered the names and addresses of the holders from time to time of the Registered Notes, together with the particulars of the Registered Notes held by them respectively and of all transfers of Registered Notes. The Issuer will procure that, as soon as practicable after the Issue Date, the Register is duly made up in respect of the subscribers of the Registered Notes and certificates evidencing the Registered Notes will be despatched. The Issuer has initially appointed the person named as Registrar or US Registrar, as applicable in the applicable Final Terms acting through its specified office set out in the applicable Final Terms.
- (d) *Exchange of Bearer Notes and Registered Notes:* Registered Notes may not be exchanged for Bearer Notes and Bearer Notes may not be exchanged for Registered Notes.
- (e) *Exchange and Transfer of Registered Notes:* Registered Notes in definitive form may, subject to Condition 1(b)(iv) and the provisions of the Agency Agreement, be transferred by the registered holder free of and without regard to any set-off, counterclaim or equities between the Issuer and the first or any subsequent registered holder of such Notes, in whole or in part (being the denomination of the Notes given in the Final Terms, an integral multiple thereof or such other multiples as may be specified in the applicable Final Terms), by delivery of the relevant certificate or certificates evidencing ownership of the Note(s) to the Registrar (in the case of Regulation S Notes which are Registered Notes) or the Transfer Agent (in the case of Rule 144A Notes), as the case may be, at its specified office together with the form of transfer in writing endorsed thereon duly completed and signed and upon compliance with such reasonable requirements as the Issuer and the Registrar, or the Transfer Agent, as applicable may prescribe (including an opinion of US counsel that any such transfer is in compliance with any applicable securities or other laws of the United States) without charge but upon payment of any taxes, duties and other governmental charges in respect of such transfer. No transfer of a Registered Note shall be recognised by the Issuer unless entered on the Register. A Registered Note may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number) and neither the Registrar nor the Transfer Agent, as the case may be will accept transfers of Registered Notes to "bearer". The Registrar, or the Transfer Agent, as applicable will within 14 days of any duly made request to register the transfer of a Registered Note enter the transferee in the Register and procure the authentication and delivery by the Fiscal Agent (in the case of Regulation S Notes which are Registered Notes) or the Transfer Agent's behalf (as applicable) or itself deliver a Registered Note certificate to the transferee (and, in the case of transfer of part only of a Registered Note, a Registered Note certificate for the untransferred balance to the transferor) at the specified office of the Registrar or the Transfer Agent, as the case may be, or (at the risk and, if mailed at the request of the transferee or, as appropriate, transferor otherwise than by ordinary uninsured mail, expense of the transferee or, as appropriate, transferor) mail the Registered

Note certificate to such address, subject to the restrictions (if any) specified in the Final Terms, as the transferee (or, as appropriate, the transferor) may request or, alternatively, in the case of transfers effected through the stock exchange (if any) or market (if any) on which the Issuer has agreed to maintain a listing or admission to trading of the Notes, will deliver the Registered Note certificate in accordance with the normal procedures and systems of such exchange or market. In the case of the transfer of only part of a Registered Note, a new Registered Note in respect of the balance of the Registered Note not transferred will be delivered (as described above) to, and at the risk of, the transferor. Interests in a Rule 144A Global Certificate may be exchanged for interests in a Regulation S Global Certificate in accordance with the transfer regulations (the "**Regulations**") set out in Schedule 6 to the Agency Agreement.

- (f) *Forced Transfer of Certain Notes:* If the Issuer determines at any time that any holder of Rule 144A Notes is not a QIB/QP or that any holder of the Notes has made or been deemed to have made an ERISA related representation that is false or misleading (any such person, a "**Non-Permitted Holder**"), the Issuer shall direct such holder to sell or transfer its Notes to a person who is not a Non-Permitted Holder within 14 days following receipt of such notice. If such holder fails to sell or transfer its Notes within such period, the Issuer shall cause such Notes to be sold to a purchaser selected by the Issuer that certifies to the Issuer that such purchaser is not a Non-Permitted Holder, on such terms as the Issuer may choose, subject to the transfer restrictions set out herein, and, pending such transfer, no further payments will be made in respect of such Notes. The Issuer may select the purchaser by soliciting one or more bids from one or more brokers or other market professionals that regularly deal in securities similar to such Notes and selling such Notes to the highest such bidder. However, the Issuer may select a purchaser by any other means determined by it in its sole and absolute discretion. Each Noteholder and each other Person in the chain of title from the permitted Noteholder to the Non-Permitted Holder by its acceptance of an interest in such Notes agrees to co-operate with the Issuer to effect such transfers. The proceeds of such sale, net of any commissions, expenses and taxes due in connection with such sale shall be remitted to the selling Noteholder. The terms and conditions of any sale hereunder shall be determined in the sole and absolute discretion of the Issuer, subject to the transfer restrictions set out herein, and the Issuer shall not be liable to any person having an interest in the Notes sold as a result of any such sale or the exercise of such discretion. The Issuer reserves the right to require any holder of Rule 144A Notes to submit a written certification substantiating that it is not a Non-Permitted Holder. If such holder fails to submit any such requested written certification on a timely basis, the Issuer has the right to assume that the holder of the Notes from whom such a certification is requested is a Non-Permitted Holder. Furthermore, the Issuer shall not honour a transfer of beneficial interests in any Note to any person who is a Non-Permitted Holder.
- (g) *US Federal Income Tax Matters:* In respect of each Noteholder (or the beneficial owner of the Note) subject to US federal income taxation:
- (i) The Issuer currently expects to treat the Notes, for US federal income tax purposes, as equity interests in the Issuer for US federal income tax purposes. Each person subject to US federal income taxation who acquires (or will be the beneficial owner) of a Note shall, prior to the acquisition of the Note, provide the Issuer with a written representation to the following general effect: "The purchaser acknowledges and agrees that, the Issuer currently expects to treat the Notes, for US federal income tax purposes, as equity interests in the Issuer."
 - (ii) Each purchaser (or the beneficial owner) who is subject to US federal income taxation shall, prior to the acquisition of the Note, provide the Issuer with a written representation to the following general effect: "we have reviewed "Risk Factors" and "United States Federal Income Taxation" in the Base Prospectus and have consulted with our own US tax advisors and are comfortable with the tax risks inherent in a purchase of the Notes. We are aware that all income on the Notes, including all gain on the sale or other taxable disposition of a Note will likely be ordinary income and it is possible that a US Holder of a Note will be treated as earning income at a rate faster than the rate at which Additional Amounts are made on the Notes. Further, we are aware that under some possible characterisations of the Notes, a holder of a Note that is not a corporation may recognise in any year "phantom income" (income that does not

relate to any cash distributions it receives) that is not offset by taxable losses in a later year. Thus, we are aware that the Notes may not be a suitable investment for an investor that is not a corporation."

(h) *New US Tax legislation—Application to both US and Non-US holders*

Each Holder of a Note (for itself and for any person for whom it holds an interest in a Note) acknowledges and agrees to all of the following. A recently enacted US tax law (the "**New US Tax Law**") could impose withholding taxes on certain payments made to the Issuer on its assets and certain payments made by the Issuer on the Notes. The New US Tax Law may require, on or after 1 January 2013, a payor to the Issuer of "US source interest," "US source dividends," or "other US source periodic income" (and of proceeds from the sale of assets that produce US source interest or US source dividends) (together, "**US Source Income**") to withhold 30 per cent. from such payments unless the Issuer (and certain intermediaries) meets certain reporting requirements regarding its direct and indirect US Holders. As the Issuer may, from time to time, hold assets that give rise to US Source Income, it is anticipated that the Issuer will seek to comply with such reporting requirements.

In complying with the new reporting requirements, the Issuer is authorized to enter into an agreement with the IRS (an "**IRS Agreement**") under which it may be required to, among other things, (i) provide certain information to the IRS about its direct and indirect US Holders and (ii) agree to withhold (or cause to be withheld) 30 per cent. of certain payments made to any "Recalcitrant Holders" (as described below) that are indirectly receiving US Source Income.

In relation to item (i) above, the Issuer will require each (i) Non-US Holder of a Note to provide satisfactory documentation (to be determined by the Issuer) that it is not a US Person and (ii) US Holder of a Note to provide its name, address and taxpayer identification number. If a Holder of Note is a foreign entity or otherwise not the beneficial owner of the Securities, such Holder generally will be required to provide information about its owners (or beneficial owners) in order to enable the Issuer to identify and report on certain of such Holder's direct and indirect US beneficial owners.

In relation to item (ii) above, even if there is no direct linkage between the payments on the Notes and any US Source Income received by the Issuer, the IRS may require, pursuant to the IRS Agreement, that there be a withholding in relation to payments on the Notes in an amount equal to 30 per cent. of the Recalcitrant Holders' pro rata share of any US Source income payable to such Non-US Issuers. In addition, a Recalcitrant holder may be subject to the redemption of its Notes as described in the immediately following paragraph.

A "**Recalcitrant Holder**" generally is a holder of a Note that fails to comply with reasonable requests for information that will help enable the Issuer to comply with its reporting requirements described immediately above. In addition, in complying with the US reporting requirements under the New US Tax Law, it may be necessary for the Issuer to agree in the IRS Agreement to "close out" any Holder that fails to respond to its reasonable requests for information that will help enable the Issuer to comply with such US reporting requirements. In the event the Issuer does "close out" any Holder's interest, it may do so by causing the sale to a third party or the early redemption of such Notes. Any sale or redemption will be at the Early Payment Amount (an amount determined by the Issuer that is not less than the net proceeds the Issuer believes it could receive for such Note by selling it (or an identical Note and using the proceeds to retire the Recalcitrant Holder's Note) from an investor that is willing and able to comply with the information reporting requirements imposed by the Issuer.

References in the part (h) to the Issuer include the Guarantor.

3. **Status and Guarantee**

(a) *Status of the Notes:* The Notes are unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* and ratably without any preference among themselves and equally with all other unsubordinated and unsecured obligations on the Issuer from time to time

outstanding, save for such obligations as may be preferred by provisions of law that are of both mandatory and general application.

- (b) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This Guarantee of the Notes will at all times rank *pari passu* with all other unsubordinated and unsecured obligations of the Guarantor from time to time outstanding save for such obligations as may be preferred by provisions of law that are of both mandatory and general application.

4. **Additional Amounts**

The following provisions shall apply unless "**Additional Amount**" is specified as "not applicable" in the Final Terms.

- (a) *Additional Amount:* The Issuer shall, until the Notes are redeemed or purchased and cancelled under Conditions 5 (*Redemption and Purchase*) or 6 (*Adjustments and Additional Redemption Events*), pay each Noteholder a Cash Amount (as determined by the Calculation Agent in its sole discretion), and which is subject to adjustment in accordance with Conditions 6 (*Adjustments and Additional Redemption Events*) and/or 7 (*FX Disruption Condition*) in respect of each Note (an "**Additional Amount**").

For the purposes of the Conditions:

"**Applicable Exchange Rate**" means the exchange rate as determined by the Calculation Agent by reference to such sources as it may, in its absolute discretion, select.

"**Cash Amount**" means a cash amount equal to the Paid Amount multiplied by the Number of Shares Per Note, converted into the Settlement Currency at the Applicable Exchange Rate.

"**Number of Shares per Note**" means, subject to adjustment in accordance with Condition 5, the Number of Shares per Note specified in the Final Terms.

"**Paid Amount**" means, in respect of a Note and the relevant Share, 100 per cent. of the net cash dividend per Share that would have been received by a Hypothetical Investor as holder of such Share during the relevant Additional Amount Period (and in respect of which the ex-dividend date has occurred during the Additional Amount Period), as determined by the Calculation Agent.

Any "**net cash dividend**" shall represent a sum after the deduction of any Taxation but excluding any imputation or other credits, refunds or deductions granted by any applicable authority having power to tax in respect of such dividend and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon, as determined by the Calculation Agent.

- (b) *Additional Amount Payment Date:* The Issuer shall pay each Additional Amount as soon as practicable but no later than the tenth Business Day following receipt by a Hypothetical Investor of the cash dividend and/or the stock dividend from the Share Issuer.
- (c) *Record Date:* In respect of any Additional Amount, only Noteholders who are holders of the Notes on the Record Date shall be entitled to payment thereof. For such purpose, the "**Record Date**" shall be the ex-dividend date (or if the Reference Jurisdiction is the Kingdom of Saudi Arabia, the Scheduled Trading Day prior to the ex-dividend date) in relation to the Additional Amount as determined by the Calculation Agent, unless the Calculation Agent notifies the Issuer and the Fiscal Agent (in the case of Regulation S Notes) or the US Paying Agent (in the case of Rule 144A Notes), as the case may be, of a different date for such purpose (in which case the Fiscal Agent or the US Paying Agent, as applicable, shall as soon as reasonably practicable notify the Noteholders thereof).
- (d) *Notification:* The Fiscal Agent (in the case of Regulation S Notes) or, as the case may be, the US Paying Agent (in the case of Rule 144A Notes), following instructions from the Issuer and receipt of all relevant information from the Issuer and/or the Calculation Agent, shall notify

the Noteholders as soon as reasonably practicable that an Additional Amount has become payable. The Fiscal Agent or the US Paying Agent, as applicable, shall, following instructions from the Issuer and receipt of all relevant information from the Issuer and/or the Calculation Agent, notify the Noteholders in accordance with Condition 16 (*Notices*) in the case of a Cash Amount, the Record Date and the amount payable to each Noteholder.

5. **Redemption and Purchase**

- (a) *Final Redemption:* Unless previously redeemed or purchased under this Conditions 5 or Condition 6 (*Adjustments and Additional Redemption Events*), the Issuer will pay or cause to be paid on the Maturity Date the Final Redemption Amount.

For the purposes of the Conditions, "**Final Redemption Amount**" means an amount (as determined by the Calculation Agent, and which may be zero but not less) per Note (representing a principal amount equal to the Calculation Amount) in the Settlement Currency equal to the Weighted Average Sale Price per Share multiplied by the Number of Shares per Note, less the pro rata proportion (of such Note in respect of all of the Notes of the Series) of Costs and Taxation rounded down to the smallest unit of the Settlement Currency (after conversion thereof to the Settlement Currency at the applicable Redemption Exchange Rate), subject to adjustment in accordance with Conditions 6 (*Adjustments and Additional Redemption Events*) and/or 7 (*FX Disruption Condition*).

For the purposes of the Conditions:

"**Number of Shares per Note**" means, subject to adjustment in accordance with Condition 6 (*Adjustments and Additional Redemption Events*), the Number of Shares per Note specified in the Final Terms; and

"**Weighted Average Sale Price per Share**" means an amount (as determined by the Calculation Agent) equal to the product of (i) the aggregate of the Final Sale Price of each Share of the Aggregate Number of Shares determined by Calculation Agent, multiplied by (ii) one divided by the Aggregate Number of Shares.

- (b) *Redemption for Illegality:* If the Calculation Agent in its sole and absolute discretion determines that the performance of (a) any of the Issuer's obligations under the Notes or (b) any Hedge Position is or will become unlawful, illegal, or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or any change in the interpretation thereof, then the Issuer may, by giving not more than 30 nor less than ten days' notice to Noteholders (which notice shall be irrevocable), redeem all, but not some only, of the Notes at their Early Redemption Amount.

For the purposes of the Conditions, "**Early Redemption Amount**" means an amount (as determined by the Calculation Agent, and which may be zero but not less) per Note (representing a principal amount equal to the Calculation Amount) in the Settlement Currency equal to the Weighted Average Sale Price per Share multiplied by the Number of Shares per Note, less the pro rata proportion (of such Note in respect of all of the Notes of the Series) of Costs and Taxation rounded down to the smallest unit of the Settlement Currency (after conversion thereof to the Settlement Currency at the applicable Redemption Exchange Rate), subject to adjustment in accordance with Conditions 6 (*Adjustments and Additional Redemption Events*) and/or 7 (*FX Disruption Condition*).

- (c) *Purchase of Notes:* The Issuer and any Affiliate thereof may at any time purchase Notes in the open market or otherwise at any price and may hold such purchased Notes in inventory, or resell them or surrender them as provided below for cancellation.
- (d) *Issuer Buy-back/Further Issuer Orders:* If so specified in the relevant Final Terms (and subject to the exceptions and qualifications and requirements therein, including, without limitation, the state of the market as determined by the Calculation Agent), the Issuer shall, at the request of a Noteholder accept a sale order from a Noteholder specifying a certain number of Notes to be sold.

- (e) *Cancellation*: Any Notes that are redeemed under this Condition 5 or Condition 6 (*Adjustments and Additional Redemption Events*) or purchased (and which are to be surrendered for cancellation) shall be surrendered for cancellation:
- (i) in the case of Notes represented by a Global Note or a Global Certificate, by presentation of the Global Note or Global Certificate, as the case may be, to or to the order of the Fiscal Agent (in the case of Regulation S Notes) or the US Paying Agent (in the case of Rule 144A Notes), as the case may be, or the Registrar (in the case of Regulation S Notes which are Registered Notes) or the US Registrar (in the case of Rule 144A Notes) (as applicable), whereupon the principal amount of the Notes shall be reduced by the amount so cancelled and endorsed; and
 - (ii) in the case of definitive Bearer Notes or Registered Notes, by surrendering each such Note or Registered Note certificate to the Fiscal Agent or the Registrar (in the case of Regulation S Notes, which are Registered Notes) and the US Registrar in the case of Rule 144A Notes) (as applicable) and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith.

Any Notes that are so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

- (f) *Reference to Principal*: References to principal shall be deemed to include, wherever the context so admits, any amounts payable under the Notes other than by way of Additional Amounts.

6. **Adjustments and Additional Redemption Events**

- (a) *Potential Adjustment Event*: Following the declaration by the Share Issuer of a Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will:

- (i)
 - (A) make the corresponding adjustment(s) to any one or more of:
 - (1) any Additional Amount, the Final Redemption Amount, the Early Redemption Amount, the Number of Shares per Note, the Number of Notes, the Calculation Amount and/or the Specified Denomination (as applicable); and/or
 - (2) any other terms of the Conditions of the Notes, and/or
 - (B) issue further Notes in accordance with Condition 15 (*Further Issues*) or notes of a different Series and distribute such further Notes or Series, as the case may be, to Noteholders on a pro rata basis in proportion to the aggregate principal amount of the Notes then held by each such Noteholder,

as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments or further issues will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares); and

- (ii) determine the effective date(s) of such adjustment(s) and/or further issues.

The Calculation Agent may (but need not) determine the appropriate adjustment(s) and/or further issues to be made by reference to the adjustment(s) in respect of such Potential Adjustment Event made (A) by any Related Exchange to listed contracts on the Shares traded on such Related Exchange or (B) to the Hedge Position. The Calculation Agent shall, as soon as reasonably practicable, notify the Noteholders and the Fiscal Agent or the US Paying Agent (as applicable) of any adjustment and/or further issues to be made.

- (b) *Merger Event*: Following the determination by the Calculation Agent that a Merger Event has occurred, the Calculation Agent shall, on or after the Merger Date either:
- (i) (A) make such adjustment(s) to the settlement, payment or any other terms of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (provided that no adjustment(s) will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event (X) by an options exchange to options on the Shares traded on such options exchange or (Y) to the Hedge Position and (B) determine the effective date of the adjustment(s); or
 - (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, notify the Noteholders that the relevant consequence shall be the redemption of the Notes in which case the Issuer shall redeem the Notes in whole but not in part at their Early Redemption Amount on such date as the Issuer may notify to Noteholders.

The Calculation Agent shall, as soon as reasonably practicable, notify the Noteholders and the Fiscal Agent or the US Paying Agent (as applicable) of any adjustment thereof.

- (c) *Tender Offer*: Following the determination by the Calculation Agent that a Tender Offer has occurred, the Calculation Agent shall, on or after the Tender Offer Date either:
- (i) (A) make such adjustment(s) to the settlement, payment or any other terms of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (provided that no adjustment(s) will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer (X) by an options exchange to options on the Shares traded on such options exchange or (Y) to the Hedge Position and (B) determine the effective date of the adjustment(s); or
 - (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, notify the Noteholders that the relevant consequence shall be the redemption of the Notes, in which case the Issuer shall redeem the Notes in whole but not in part at their Early Redemption Amount on such date as the Issuer may notify to Noteholders and the Fiscal Agent or the US Paying Agent (as applicable).

The Calculation Agent shall, as soon as reasonably practicable, notify the Noteholders of any adjustment thereof.

- (d) *Nationalisation, Liquidation, Delisting and Change of Law*: If at any time the Calculation Agent determines that:
- (i) **Nationalisation**: all the Shares of the Share Issuer or all the assets or substantially all the assets of the Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
 - (ii) **Liquidation**: by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Share Issuer, (A) all the Shares of that Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares become legally prohibited from transferring them;
 - (iii) **Delisting**: the Exchange announces that pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on that Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union); or

- (iv) **Change of Law:** on or after the Issue Date of the Notes (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), compliance with any request, directive or policy of any governmental, administrative, legislative or judicial authority or power, or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal or contrary to any such request, directive or policy for the Issuer or the Hedge Counterparty to hold, acquire or dispose of Shares or any Hedge Position, or (Y) the Issuer (directly or indirectly through the Hedge Counterparty) will incur a materially increased cost in performing or hedging its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position) or any requirements in relation to reserves, special deposits, insurance assessments or other requirements,

the Calculation Agent may in its sole and absolute discretion notify the Noteholders that the relevant consequence shall be the redemption of the Notes, in which case the Issuer shall redeem the Notes in whole but not in part at their Early Redemption Amount on the date designated in the Calculation Agent's notice (which date shall not be earlier than five Business Days' following the date of the giving of such notice).

- (e) **Insolvency, Jurisdictional Event, Trading Failure, Hedging Disruption and CMA Order:** If at any time the Calculation Agent determines that:
- (i) **Insolvency:** the Share Issuer has instituted, or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition (provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall be disregarded for the purpose of this provision);
 - (ii) **Jurisdiction Event:** an event has occurred, whether of general application or otherwise and which occurs as a result of present or future risks in or connected with the Reference Jurisdiction(s) including, but not limited to, risks associated with fraud or corruption, political risk, legal uncertainty, imposition of foreign exchange controls or capital controls, changes in laws or regulations and changes in the interpretation or enforcement of laws and regulations (including without limitation those relating to taxation) and other legal and/or sovereign risks;
 - (iii) **Trading Failure:** the Hedge Counterparty is not able to buy and/or sell Shares via a trading system commonly used within the Reference Jurisdiction for such Shares or such trading system fails to calculate and publish the price of the Shares on a day on which the Calculation Agent determines that such calculation and publication was otherwise expected to be made, and in each case, which has or may have (as determined by the Calculation Agent) the effect of reducing or eliminating the value of the Hedge Proceeds at any time;
 - (iv) **Hedging Disruption:** a condition has arisen which has the effect of prohibiting or restricting the ability of the Issuer or the Hedge Counterparty to hedge the Issuer's position under the Notes including to remain the owner of, or to acquire or freely transfer (otherwise than as provided in the terms of the Shares) the Reference Currency, any Intermediate Currency, the Settlement Currency or the Shares or any securities or positions forming the Hedge Position, when compared to the position on the Trade Date; or
 - (v) **CMA Order:** in relation to Notes in respect of which the Reference Jurisdiction is the Kingdom of Saudi Arabia, the Capital Market Authority (or any successor or

equivalent body) of the Kingdom of Saudi Arabia (the "**Capital Market Authority**") has requested that the Hedge Counterparty (or Issuer) terminate or otherwise modify the Hedge Position or imposes any qualitative or quantitative limitation or any other requirements in relation to the Hedge Position, the Notes, the Guarantee, the holders or any document or matter in relation thereto,

the Calculation Agent may in its sole and absolute discretion (A) make such downward adjustment to any Additional Amount, the Early Redemption Amount and/or the Final Redemption Amount and/or make any other adjustment to the terms of the conditions of the Notes as it shall determine to take account of the effect of such Insolvency, Jurisdictional Event, Trading Failure, Hedging Disruption or CMA Order (as applicable) on the Hedge Position (and, in the case of the CMA Order, to ensure compliance therewith); (B) notify the Noteholders that the relevant consequence shall be the redemption of the Notes, in which case the Issuer shall redeem the Notes in whole but not in part at their Early Redemption Amount on the date designated in the Calculation Agent's notice; or (C) determine any combination of (A) or (B) to account for the Insolvency, Jurisdictional Event, Trading Failure, Hedging Disruption or CMA Order (as applicable). The Calculation Agent shall, as soon as reasonably practicable, notify the Noteholders of any adjustment thereto.

- (f) *Change of Exchange:* If an Exchange is changed, the Calculation Agent shall make such consequential modifications to the calculation of any Additional Amount, Early Redemption Amount and/or Final Redemption Amount as it may determine appropriate to account for the effect of such change of Exchange. Any such modification will be promptly notified to the Noteholders.
- (g) *More than one adjustment or termination event:* In the circumstance where one or more event may satisfy the terms of two or more of the adjustment or termination events set forth in this Condition 6 (or Condition 5 (*Redemption and Purchase*)), then the Calculation Agent shall determine (in its sole and absolute discretion) which adjustment or termination event shall be applicable.

7. **FX Disruption Condition**

If the Calculation Agent determines that an FX Disruption Condition exists on (or on the Business Day prior to) the date on which any of the Final Redemption Amount, the Early Redemption Amount or any Additional Amount (as the case may be, the "**Applicable Payment**") (or a date on which the Applicable Exchange Rate or Redemption Exchange Rate, as the case may be, in relation to the calculation of the amount of the Applicable Payment in the Settlement Currency is otherwise to be determined in accordance with these Conditions) is otherwise payable under these Conditions (such date of the existence of the FX Disruption Condition, the "**FX Disruption Determination Date**"), then (subject to the next sentence) the Applicable Payment shall be postponed until the date falling on or prior to the third Business Day following the date on which the Calculation Agent has notified the Issuer that the FX Disruption Condition is no longer in existence.

If such (or other) FX Disruption Condition continues to exist up to, but excluding, the first Business Day to fall five years after the Cut-off Date (or, if the Reference Jurisdiction of the Notes is the Kingdom of Saudi Arabia, the earlier of (i) the Cut-off Date and (ii) the date falling four years after the Trade Date (notwithstanding that such date may be the Maturity Date of the Notes and therefore no extension of the term of the Notes could occur)), then:

- (i) if the Calculation Agent determines that (A) there is no condition created by or resulting from any action of or failure to act by any governmental authority, or a local market condition that has the effect of prohibiting, restricting or materially delaying the free and unconditional transferability of the Reference Currency and (B) it is possible to settle payments in respect of the Notes in the Reference Currency through Euroclear or Clearstream, Luxembourg or DTC, as the case may be, then the Issuer shall make the Applicable Payment in the Reference Currency on such date as if the Reference Currency has been specified as the Settlement Currency in the applicable Final Terms; or

- (ii) in each other case, the Notes shall be deemed to have been redeemed on such date without any payment on the part of the Issuer (or Guarantor) and the Issuer's obligations under the Notes shall be deemed to have been discharged in full.

There shall be no interest payable in respect of any extension of the date of payment of any Applicable Payment in accordance with the terms of this paragraph.

For the purposes of the Conditions:

"Cut-off Date" means, in relation to an FX Disruption Condition, the first Business Day to fall five years after the FX Disruption Determination Date;

"FX Disruption Condition" means, in the determination of the Calculation Agent, a condition created by or resulting from any action of or failure to act by any governmental authority, or a local market condition that has the effect of prohibiting, restricting or materially delaying the exchange of the Reference Currency for the Settlement Currency (whether directly or, pursuant to any Hedge Position, indirectly by exchange into a third currency (the **"Intermediate Currency"**) (and including, without limitation, where the effect is that the applicable rate of exchange is not as favourable as the rate for domestic institutions located in the Reference Jurisdiction), or prohibiting, restricting or materially delaying the free and unconditional transferability of the resulting Settlement Currency (or Intermediate Currency) or the free and unconditional transfer of the Reference Currency (or Intermediate Currency) between (i) accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction, from accounts outside the Reference Jurisdiction to accounts inside the Reference Jurisdiction or (ii) to or from accounts of non-residents of the Reference Jurisdiction, or which otherwise results in an exchange for the Settlement Currency (or Intermediate Currency), in each case when compared with the position on the Issue Date;

"Reference Currency(ies)" means the currency(ies) of the proceeds which a holder of the Aggregate Number of Shares may receive upon sale of these assets; and

"Settlement Currency" means, with respect to a Series of Notes, the Specified Currency so specified in the Final Terms.

8. **Payments**

(a) *Payments in respect of definitive Notes:*

- (i) **Bearer Notes and Coupons:** In the case of definitive Bearer Notes, payments of principal will be (subject as provided below) payable by electronic transfer to an account maintained outside the United States and will be made in the manner provided in Condition 5(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes and payments of any Additional Amount in respect of definitive Bearer Notes will (subject as provided below in respect of Bearer Notes) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the coupons attached on issue to a definitive Note ("**Coupon**"), in each case at the specified office of the Fiscal Agent or any Paying Agent outside the United States as the Issuer may from time to time designate, as set forth in the relevant Final Terms. Upon the date on which any Bearer Note in definitive form becomes due and repayable, unmatured Coupons relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.
- (ii) **Registered Notes:** In the case of definitive Registered Notes, payments of principal and any Additional Amount will (subject as provided below) be payable by electronic transfer, to the holder(s) in whose name such definitive Registered Notes are registered as at the close of business on the 15th calendar day (whether or not a Business Day) preceding the date such payment of principal or any Additional Amount is due and will be made in the manner provided in Condition 5(a) above only against presentation and

surrender (or, in the case of part payment of any sum due, endorsement) of the definitive Registered Notes.

- (b) *Payments in respect of Global Notes and Global Certificates:*
- (i) **Global Notes:** In the case of Global Notes, payments of principal and any Additional Amount will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. Unless otherwise specified in the Final Terms, prior to any Exchange Date, payments of principal or any Additional Amount in respect of a Global Note will only be made upon certification as to non-US beneficial ownership status as required by US Treasury regulations. If such certification as to non-US beneficial ownership is not made on or prior to the Exchange Date, no payments in respect of Notes represented by a Global Note will be made until such certification is made. In addition, after the Exchange Date, a record of each payment made against presentation or surrender of any Global Note distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.
 - (ii) **Global Certificates:** In the case of Global Certificates, payments of principal will (subject as provided below) be made in the manner specified above in relation to definitive Registered Notes and, if no further payment falls to be made in respect of the Global Certificates, surrender of that Global Certificate to, or to the order to the Registrar or the US Registrar (as the case may be), and payments in respect of any Additional Amount on Registered Notes shall be paid to the person on the Register or the US Register (as the case may be). Unless otherwise specified in the Final Terms, prior to any Exchange Date, payments of principal or any Additional Amount in respect of a Regulation S Note will only be made upon certification as to non-US beneficial ownership status as required by US Treasury regulations. If such certification as to non-US beneficial ownership is not made in respect of Regulation S Notes represented by a Global Certificate on or prior to the Exchange Date, no payments in respect of such Regulation S Notes will be made until such certification is made. In addition, after the Exchange Date, a record of each payment made against presentation or surrender of any Global Certificate, distinguishing between any payment of principal and any payment of interest, will be made on such Global Certificate by the Registrar or US Registrar (as the case may be) to which it was presented and such record shall be prima facie evidence that the payment in question has been made.
 - (c) *General provisions applicable to payments:* The holder of a Global Note or, as the case may be, Global Certificate shall be the only person entitled to receive payments or make a claim with respect to payments in respect of Notes represented by such Global Note or, as the case may be, Global Certificate and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note or, as the case may be, Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or, as the case may be, Global Certificate must look solely to Euroclear or Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note or, as the case may be, Global Certificate.
 - (d) *Payments in the United States:* In the case of Bearer Notes in definitive form, notwithstanding the foregoing provisions of this Condition 8, if any amount of principal and/or additional amounts in respect of Notes is payable in US dollars, such US dollar payments of principal and/or additional amounts in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in US dollars at such specified offices outside the United States of the full amount of principal and any Additional Amount on the Notes in the manner provided above when due;
 - (ii) payment of the full amount of such principal and any Additional Amount at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in US dollars; and
 - (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.
- (e) *Payment Day*: If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next succeeding Payment Day and shall not be entitled to further interest or other payment in respect of such delay or amendment.

9. **Taxation**

The Issuer is not liable for, or otherwise obliged to pay, and the relevant Noteholder shall pay, any tax, duty, charges, withholding or other payment which may arise as a result of, or in connection with, the ownership, transfer, redemption or enforcement of any Note, including, without limitation, the payment of any Additional Amount, the Early Redemption Amount and/or the Final Redemption Amount. The Issuer shall have the right, but not the duty, to withhold or deduct from any amount payable to the Noteholder, such amount as is necessary (i) for the payment of any such taxes, duties, charges, withholdings or other payments or (ii) for effecting reimbursement to the Issuer for any payment by it of any tax, duty, charge, withholding or other payment referred to in this Condition 9.

10. **ERISA Transfer Restrictions**

By its purchase or holding of a Note, or any interest therein, the purchaser and/or holder thereof and each transferee will be deemed to have represented and warranted at the time of its purchase and throughout the period that it holds such Note or interest therein that (1)(A) it is not an "employee benefit plan" (as defined in Section 3(3) of Title I of the Employee Retirement Security Act of 1974, as amended ("**ERISA**")) that is subject to the fiduciary responsibilities provisions of ERISA, a "plan" as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "**Code**"), that is subject to Section 4975 of the Code, any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan's or plan's investment in the entity or a "benefit plan investor" as such term is otherwise defined in any regulations promulgated by the U.S. Department of Labor under Section 3(42) of ERISA or (B) it is an insurance company acting on behalf of its general account and (i) it is not a person who has discretionary authority or control with respect to the assets of the Issuer or a person who provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person, (ii) as of the date it acquires and throughout the period it holds the Notes, or any interest therein, less than 25 per cent. of the assets of such general account constitutes "plan assets" (as defined in the "plan asset regulation") for purposes of ERISA and/or Section 4975 of the Code, (iii) it agrees that if, after its initial acquisition of the Notes, or any interest therein, at any time during any month, 25 per cent. or more of the assets of such general account constitute "plan assets", then such insurance company shall, in a manner consistent with the restrictions on transfer set forth herein, dispose of all of the Notes, or any other class of equity interest in the Issuer, and any interest therein, held in its general account by the end of the next following month and (iv) the acquisition and holding of the Notes, or any interest therein, will not constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code which is not covered under Prohibited Transaction Class Exemption 95-60 or some other applicable exemption and (2) if it is a governmental, church, non-US or other plan which is subject to any federal, state, local or non-US law substantially similar to the provision of Section 406 of ERISA or Section 4975

of the Code, its purchase and holding of such Notes will not constitute or result in a non-exempt violation under any such substantially similar federal, state, local or non-US law. Any purported transfer of the Notes, or any interest therein, to a purchaser or transferee that does not comply with the requirements of this paragraph will be of no force and effect, shall be null and void *ab initio* and the Issuer will have the right to direct the purchaser to transfer the Notes, or any interest therein, as applicable, to a person who meets the foregoing criteria.

11. **Prescription**

The Notes and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of any Additional Amount) after the Relevant Date (as defined below) therefor.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent (in the case of Regulation S Notes) or the US Paying Agent (in the case of Rule 144A Notes), as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 16 (*Notices*).

12. **Events of Default**

If any one or more of the following events (each, an "**Event of Default**") has occurred and is continuing:

- (a) the Issuer fails to pay any amount due on the Notes within 30 days after the due date;
- (b) a resolution is passed, or a final order of a court in the British Virgin Islands (in the case of the Issuer) or Egypt (in the case of the Guarantor) is made and, where possible, not discharged or stayed within a period of 90 days, that the Issuer and/or the Guarantor (as applicable) be wound up or dissolved; or
- (c) in respect of the Notes issued by the Issuer, the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect,

then the Noteholder may by notice in writing given to the Fiscal Agent (in the case of Regulation S Notes) or the US Paying Agent (in the case of Rule 144A Notes), as applicable, at its specified office, declare such Note immediately due and payable, whereupon such Note shall become redeemable at the Early Redemption Amount unless prior to the time when the Fiscal Agent or the US Paying Agent, as the case may be, receives such notice all Events of Default have been cured.

13. **Meeting of Noteholders and Modifications**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, (ii) to reduce or cancel the nominal amount of, or any other amount payable or deliverable on redemption of, the Notes, (iii) to vary any method of, or basis for, calculating the Additional Amount, the Final Redemption Amount, the Early Redemption Amount or any other amount payable on the Notes, (iv) to vary the currency or currencies of payment or denomination of the Notes, (v) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution in which case the necessary quorum

shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

- (b) *Modification of the Agency Agreement or the Conditions:* The Issuer may agree to any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement or the Conditions without the consent of the Noteholders, if:
- (i) such modification, waiver or authorisation modifies the restrictions on and procedures for resales and other transfers of Notes to reflect any changes in applicable law or regulation (or the interpretation thereof) or enables the Issuer to rely upon any exemption from registration under the Securities Act or the Investment Company Act or British Virgin Islands banking or securities laws or removes restrictions on resale and transfer to the extent not required thereunder or to modify the restrictions on the Notes related to ERISA or otherwise makes any modification to the restrictions on and procedures for resales and other transfers of Notes as the Calculation Agent determines is necessary or advisable;
 - (ii) such modification is of a formal, minor or technical nature or is made to correct a manifest error or a defective provision or to comply with mandatory provisions of the law; or
 - (iii) to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders,

in each case provided that the Issuer shall as soon as practicable notify the Noteholders of such modification, waiver or authorisation. In the event of any inconsistency between Conditions 13(a) and 13(b), Condition 13(b) shall prevail.

14. **Replacement of Notes**

If a Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Regulation S Notes which are Bearer Notes) and of the Registrar (in the case of Regulation S Notes which are Registered Notes) and the US Registrar (in the case of Rule 144A Notes), or such other Paying Agent or Transfer Agent, as applicable, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Registered Certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes or Registered Certificates) and otherwise as the Issuer may require. Mutilated or defaced Notes or Registered Certificates must be surrendered before replacements will be issued.

15. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders create and issue further Notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the conditions of such Notes to "Issue Date" shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

If the Issuer issues further Notes of the same Series during the initial 40-day restricted period applicable to the outstanding Notes of such Series, then such 40-day period will be extended until 40 days after the later of the commencement of the offering of such further issue of Notes and the Issue Date of such further issue of Notes. In addition, if the Issuer issues further Notes of the same Series after the expiration of the 40-day restricted period, a new 40-day restricted period will be applied to such further issue of Notes without applying to the outstanding

Notes. After the expiration of the new 40-day restricted period, all such Notes will be consolidated with and form a single Series with the outstanding Notes.

16. Notices

(a) *Definitive Notes:*

- (i) in the case of definitive Bearer Notes, such notice is published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*) and, as long as the Notes are listed on any stock exchange, is published in such manner as the rules of such exchange may require. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above; and
- (ii) in the case of definitive Registered Notes, (A) such notice is published in the manner described in paragraph (i) above and (B) mailed to Noteholders at their respective addresses in the Register. Any such notice shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

(b) *Global Notes and Global Certificates:* Until such time as any definitive Notes are issued, there may, so long as any Global Notes and Global Certificates are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear, and/or Clearstream, Luxembourg or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice shall be deemed to have been given to the holders of the Notes on the day which such notice was given to Euroclear and/or Clearstream, Luxembourg or DTC. Unless and until any definitive Notes are issued, any obligation of the Issuer or an Agent on the Issuer's behalf to publish a notice to the Noteholders shall be satisfied upon delivery of such notice to Euroclear and/or Clearstream, Luxembourg or DTC.

(c) *Notices to be given by a Noteholder:* Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Fiscal Agent (in the case of Regulation S Notes) or the US Paying Agent (in the case of Rule 144A Notes) as the case may be. Whilst any of the Notes are represented by a Global Note or a Global Certificate, such notice may be given by any holder of a Note to the Fiscal Agent through Euroclear and/or Clearstream, Luxembourg or DTC, as applicable, in such manner as the Fiscal Agent or the US Paying Agent, as applicable, and Euroclear and/or Clearstream, Luxembourg or DTC, as applicable, may approve for this purpose.

17. Agents

(a) *Status of Agents:* The Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations or duty to, or relationship of agency or trust for or with, any Noteholder.

(b) *Variation or termination of appointment of Agents:* The Issuer and the Guarantor, if applicable, reserve the right at any time to vary or terminate the appointment of any Agents and to appoint other or additional Agents in accordance with the terms set out in the Agency Agreement, provided that at all times the following shall be maintained:

- (i) a Fiscal Agent;
- (ii) a Registrar in respect of all Regulation S Notes which are Registered Notes;
- (iii) a Transfer Agent in respect of Rule 144A Notes;

- (iv) one or more Calculation Agent(s);
- (v) such agents (including a Paying Agent) as may be required by The Irish Stock Exchange, or any relevant authorities or any other stock exchange on which any Notes may be listed, and the applicable rules of such relevant authority or such other stock exchange so require;
- (vi) a US Paying Agent in respect of any Rule 144A Notes;
- (vii) a Paying Agent in the United States in respect of any Bearer Notes in definitive form of which the Settlement Currency is US dollars in the circumstances described in Condition 8(d);
- (viii) a US Registrar in respect of any Rule 144A Notes; and
- (ix) an Exchange Agent in respect of any Rule 144A Notes of which the Settlement Currency is not US dollars.

The Agency Agreement contains provisions permitting any entity into which an Agent is merged or converted or with which it is consolidated as to which it transfers all or substantially all of its assets to become the successor agent.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders of the affected Notes in accordance with Condition 16 (*Notices*).

- (c) *Resignation of Agents:* Each Agent may resign its appointment at any time by giving the Issuer, and where applicable, the Guarantor, and the Fiscal Agent at least 60 days' notice to that effect, and in accordance with such other terms as are specified in the Agency Agreement.

18. Calculation Agent, Determination, Disclaimer of Liability and other terms

- (a) *Status of Calculation Agent:* The Calculation Agent acts solely as agent of the Issuer and the Guarantor and does not assume any obligations or duty to, or relationship of agency or trust for or with, any Noteholder. In making any determination or exercising any discretion, the Calculation Agent is not obliged to consider the interests of any Noteholder.
- (b) *Standard of care:* Any matter that falls to be determined, considered or otherwise decided upon by the Calculation Agent or any other person (including, where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), shall be decided upon by the Calculation Agent or such other person as the case may be in good faith and in a commercially reasonable manner (unless otherwise explicitly provided), taking into account any market factors and other factors as the Calculation Agent or such other person deems relevant including, without limitation, any Hedge Position (including, without limitation, any impact on such position, the ability to retain such position and the cost of unwinding any such position).
- (c) *Disclaimer of liability:* No liability shall attach to the Calculation Agent to any of the Noteholders, the Issuer, the Guarantor or the other Agents for good faith errors or omissions in the Calculation Agent's calculations and determinations as provided in the Conditions of the Notes, whether caused by negligence or otherwise, and no liability shall attach to any of the Issuer or the Guarantor or any of the other Agents for any calculation or determination made by the Calculation Agent in respect of the Notes.
- (d) *Delegation:* The calculation functions and other discretionary actions required of the Calculation Agent may be delegated to any such person as the Calculation Agent, in its sole and absolute discretion, may decide.
- (e) *Calculations and determinations all binding:* All calculations and determinations made by the Calculation Agent in respect of the Notes shall be final and binding on the Issuer and Noteholders in the absence of manifest or proven error.

- (f) *Two or more Calculation Agents:* Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions of the Notes.
- (g) *Replacement of Calculation Agent:* If the Calculation Agent is unable to act as such or if the Calculation Agent fails duly to establish any rate or any amount, whether in cash or in kind, specified in the relevant Final Terms, to make any other required determination or to comply with any of its other obligations, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter 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.

19. **Third Parties**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

20. **Governing Law and Jurisdiction**

- (a) *Governing Law:* The Notes (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to the Notes) are governed by and shall be construed in accordance with English law.
- (b) *Jurisdiction:* The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes and accordingly any legal action or proceedings arising out of or in connection with any Notes may be brought in such courts.
- (c) *Service of Process:* Without prejudice to any other mode of service allowed under any relevant law:
 - (i) the Issuer irrevocably appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London, EC2V 7EX as its agent for service of process in relation to any proceedings before the English courts in connection with the Notes; and
 - (ii) the Guarantor irrevocably appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London, EC2V 7EX as its agent for service of process in relation to any proceedings before the English courts in connection with the Notes.

If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Issuer and/or the Guarantor (as applicable) must immediately (and in any event within five days of such event taking place) appoint another agent to act as their agent for service of process in relation to any proceedings before the English courts in connection with the Notes.

21. **Definitions**

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

"**Additional Amount**" has the meaning given in Condition 4 (*Additional Amounts*).

"**Additional Amount Period**" means the period commencing on, and including, the Trade Date and ending on, but excluding, the Scheduled Valuation Date.

"**Agency Agreement**" has the meaning given in Condition 1(d).

"**Agents**", "**Calculation Agent**", "**Fiscal Agent**", "**US Paying Agent**", "**Transfer Agent**", "**Exchange Agent**" and "**Registrar**" each have the meaning given in Condition 1(d).

"Aggregate Number of Shares" means the Number of Shares per Note multiplied by the Outstanding Number of Notes, rounded down to the nearest integral number of Shares.

"Affiliate" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Applicable Exchange Rate" means the reference exchange rate for the conversion of the Reference Currency into the Settlement Currency (or the effective rate resulting from the application of rates into and out of one or more Intermediate Currencies) as the Calculation Agent may determine to be the prevailing spot rate for such exchange on the relevant day.

"applicable Final Terms" or **"relevant Final Terms"** each have the meaning given in Condition 1(c).

"Banking Day" means, in respect of any city, a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in such city.

"Bearer Notes" has the meaning given in Condition 1(b)).

"Business Day" means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and in each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Settlement 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 Settlement Currency (which shall, if the Settlement Currency is Australian dollars or New Zealand dollars, be Sydney or Auckland respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

"Calculation Amount" means a principal amount of the Notes equal to the amount so specified in the applicable Final Terms.

"Capital Market Authority" has the meaning given in Condition 6(e)(v).

"Clearing System" means Euroclear, Clearstream, Luxembourg, DTC and any other clearing system as specified in the Final Terms, or any successor entity thereto.

"Clearstream, Luxembourg" has the meaning given in Condition 2(b)(ii).

"Code" means the Internal Revenue Code of 1986.

"Commission(s)" means an amount equal to any commission, fee or other transaction cost per Share which may be incurred by a Hypothetical Investor as a result of, or in connection with, the holding of and/or selling of and/or realising any Shares and/or Hedge Position, as determined by the Calculation Agent.

"Conditions" has the meaning given in Condition 1(c).

"Costs" means, in respect of any Additional Amount, Early Redemption Amount or Final Redemption Amount, any Commissions, taxes, levies, fees, custodial fees, registrations or other charges which may be incurred by a Hypothetical Investor as a result of, or in connection with, the holding of and/or selling of and/or realising any Shares and/or Hedge Position, as determined by the Calculation Agent.

"**Coupon**" has the meaning given in Condition 8 (*Payments*).

"**Cut-off Date**" has the meaning given in Condition 7 (*FX Disruption Condition*).

"**Deed of Covenant**" has the meaning given in Condition 1(e).

"**Deed of Guarantee**" has the meaning given in Condition 1(f).

"**Drawdown Prospectus**" means any prospectus prepared in connection with a particular Tranche of Notes and approved by a competent authority for the purposes of the Prospectus Directive, and in each case includes any supplements thereto and notices related thereto.

"**DTC**" means The Depository Trust Company.

"**Early Redemption Amount**" has the meaning given in Condition 5(b).

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**Euroclear**" has the meaning given in Condition 2(b)(ii).

"**Event of Default**" has the meaning given in Condition 12 (*Events of Default*).

"**Exchange**" means the stock exchanges so specified in the Final Terms or such other stock exchange on which the Shares are, in the determination of the Calculation Agent, traded or quoted as the Issuer may (acting on the instructions of the Calculation Agent) select and notify to Noteholders, or (in any such case) any transferee or successor exchange.

"**Exchange Business Day**" means any Scheduled Trading Day on which each Exchange is open for trading during its regular trading sessions, notwithstanding any such Exchange closing prior to its Scheduled Closing Time.

"**Exchange Date**" has the meaning given in Condition 2(b)(ii).

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on an Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options relating to the Shares on any relevant Related Exchange.

"**Exchange Event**" has the meaning given in Condition 2(b)(v).

"**Final Redemption Amount**" has the meaning given in Condition 5(a).

"**Final Sale Price**" means, in respect of a Share, the Share Price or such other price as specified in the Final Terms.

"**FX Disruption Condition**" has the meaning given in Condition 7 (*FX Disruption Event*).

"**General Terms and Conditions**" given in Condition 1(c).

"**Global Certificates**" has the meaning given in Condition 1(b)(iv).

"**Global Note**" has the meaning given in Condition 1(b)(i).

"**Guarantor**" has the meaning given in Condition 1(a).

"**Hedge Counterparty**" means, in relation to any Series of Notes, the entity (which may be an Affiliate of the Issuer) with whom the Issuer or any Affiliate has entered into, or maintains with, a Hedge Position.

"**Hedge Position**" means, in respect of any Series of Notes, any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange or (ii) other instruments or arrangements (howsoever described) by (a) the

Issuer or any Affiliate thereof in order to hedge such Notes or (b) a Hypothetical Investor in order to hedge its holding of the Aggregate Number of Shares.

"Hedge Proceeds" means, in relation to any Additional Amount, Early Redemption Amount or Final Redemption Amount as the case may be, the cash amount (which may be zero) constituting the proceeds (if any) relating to such Additional Amount, Early Redemption Amount or Final Redemption Amount (as applicable) received by the Hedge Counterparty under the Hedge Position (as determined by the Calculation Agent).

"holder(s)" has the meanings given in Condition 1(g).

"Hypothetical Investor" means a company (which, if the Reference Jurisdiction is the Kingdom of Saudi Arabia, is incorporated in the Kingdom of Saudi Arabia and which may be a wholly or partly non-Saudi Arabian owned company) with a holding in the Aggregate Number of Shares.

"Initial Fixing Date" means the date specified in the Final Terms, which shall, where the Reference Jurisdiction is the Kingdom of Saudi Arabia, be no earlier than the Trade Date.

"Initial Price" means, in respect of any Shares, the volume weighted price per Share specified in the applicable Final Terms, or if not so specified, the volume weighted price per Share at which the Hedge Counterparty has bought (or if the Hedge Counterparty does not hold the Shares, is able to buy) such Shares on the Initial Fixing Date.

"Intermediate Currency" has the meaning given in Condition 7 (*FX Disruption Event*).

"Investment Company Act" means the United States Investment Company Act of 1940, as amended.

"Issue Date" means the date specified as such in the Final Terms and shall be construed in accordance with Condition 15 (*Further Issues*).

"Issue Price" means the price specified in the Final Terms.

"Issuer" has the meaning given in Condition 1(a).

"Market Disruption Event" means the occurrence or existence on any Scheduled Trading Day of (a) a Trading Disruption, (b) an Exchange Disruption, (c) a material restriction on the sale and purchase of Shares in the Reference Jurisdiction, (d) any failure by local entities in the Reference Jurisdiction involved in the process of transfer and/or registration of the Shares, including, without limitation, custodians, registrars and clearing houses to perform their duties in a timely manner or (e) any prevailing market conditions which in the good faith opinion of the Calculation Agent should be characterised as such. For the purpose of this definition, a limitation on the hours and number of days of trading of the Shares if it results from an announced change in the regular business hours of any Exchange or Related Exchange shall not constitute a Market Disruption Event.

"Maturity Date" means the later of (a) the Scheduled Maturity Date and (b) two Business Days following the date on which the Calculation Agent determines the Final Redemption Amount.

"Merger Date" means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of the Shares, any (a) reclassification or change of the Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding, to another entity or person, (b) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Share Issuer is the continuing entity and which does not result in reclassification or change of all of the

Shares outstanding) or (c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (d) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the last Valuation Date in the Valuation Period.

"**Noteholder(s)**" has the meanings given in Condition 1(g).

"**Notes**" has the meaning given in Condition 1(b) and construed in accordance with Condition 15 (*Further Issues*) (as applicable).

"**Number of Notes**" means the initial aggregate principal amount of Notes, plus the initial aggregate principal amount of any Notes issued pursuant to Condition 15 (*Further Issues*), divided by the Specified Denomination, unless otherwise specified in the relevant Final Terms and subject to adjustment in accordance with the Conditions.

"**Number of Shares per Note**" has the meaning given in Condition 5(a).

"**Outstanding Number of Notes**" means the Number of Notes as reduced at any date by the number of Notes which have been repurchased and cancelled.

"**Paid Amount**" has the meaning given in Condition 4(a).

"**Payment Day**" means any day which is:

- (i) a Business Day; and
- (ii) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) (A) in the relevant place of presentation of the Notes if the Notes are expressed to be in definitive form, or (B) on a Clearing System Business Day if the Notes are expressed to be in registered form or in bearer form.

"**Permanent Global Note**" has the meaning given in Condition 2(b)(ii).

"**Potential Adjustment Event**" means with respect to the Share Issuer, any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event), or a free distribution or dividend of Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the Shares of (1) such Shares or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of the Shares, or (3) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (4) any other type of securities, rights or certificates or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Issuer;
- (iii) the declaration by the Share Issuer of an extraordinary dividend, the characterisation of which shall be determined by the Calculation Agent;
- (iv) a dividend or distribution other than a cash dividend;
- (v) a call by it in respect of Shares that are not fully paid;

- (vi) a repurchase by it or any of its subsidiaries of its Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (vii) an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, certificates, debt instruments or stock rights at a price below their market value, as determined by the Issuer, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (viii) any other event that may have a diluting or concentrative effect on the value of the Shares.

"**Programme**" has the meaning given in Condition 1(a).

"**QIB/QP**" means a Person who is both a QIB and a QP.

"**Qualified Institutional Buyer**" or "**QIB**" means a Person who is a "qualified institutional buyer" as defined in Rule 144A.

"**Qualified Purchaser**" or "**QP**" means a Person who is a "qualified purchaser" as defined in Section 2(a)(51)(A) of the Investment Company Act.

"**Record Date**" has the meaning given in Condition 4(c).

"**Redemption Exchange Rate**" means, in respect of each Share and the related Final Sale Price, the prevailing spot rate on or about the date on which the Calculation Agent determines such Final Sale Price for converting such Final Sale Price into the Settlement Currency (whether directly or via one or more Intermediate Currencies).

"**Reference Currency(ies)**" has the meaning given in Condition 7 (*FX Disruption Condition*).

"**Reference Jurisdiction**" means the jurisdiction specified as such in the Final Terms.

"**Register**" has the meaning given in Condition 2(c).

"**Registered Notes**" has the meaning given in Condition 1(b)(iv).

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

"**Regulation S Global Certificate**" has the meaning given in Condition 1(b)(iv).

"**Regulation S Notes**" means Notes offered for sale outside the United States in offshore transactions to non-US Persons in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

"**Related Exchange(s)**" means the Related Exchange(s), if any, as specified in the Final Terms, or such other options or futures exchange(s) as the Issuer may, acting upon the instructions of the Calculation Agent, select and notify to Noteholders, or, in any such case, any transferee or successor exchange.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Rule 144A Global Certificate**" has the meaning given in Condition 1(b)(iv).

"**Rule 144A Notes**" means Notes offered for sale to US Persons that are QIB/QP in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related

Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.

"**Scheduled Maturity Date**" means the date specified as such in the applicable Final Terms, or if no such date is specified, the date which falls two Business Days after the Scheduled Valuation Date.

"**Scheduled Trading Day**" means any day on which each Exchange is scheduled to be open for trading for its regular trading session.

"**Scheduled Valuation Date**" has the meaning given in the definition of "Valuation Date" below.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Series**" has the meaning given in Condition 1(c).

"**Settlement Currency**" has the meaning given in Condition 7 (*FX Disruption Condition*).

"**Shares**" means the shares specified in the Final Terms. Any reference to a "**Share**" shall be deemed to be to one unit of the Shares.

"**Share Issuer**" means the entity specified as such in the Final Terms.

"**Share Price**" means, in respect of a Share, an amount certified by the Calculation Agent as the price at which a Hypothetical Investor could have sold such Share on the Exchange during the Valuation Period (provided that if, due to the occurrence of one or more Market Disruption Events or any other reason the Calculation Agent determines in its sole and absolute discretion that a Hypothetical Investor could not have sold all of the Aggregate Number of Shares during the period of 30 calendar days from the Valuation Date, the Share Price of each such unsold Share shall be determined by the Calculation Agent in its sole and absolute discretion).

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

"**Taxation**" means (a) all withholding taxes, capital gains taxes and other duties and taxes whatsoever in effect which may be incurred by a Hypothetical Investor, the Issuer or any Affiliate as a result of, or in connection with, the holding of and/or selling of and/or realising any Shares and/or Hedge Position, as determined by the Calculation Agent, assuming such Hypothetical Investor owned the Shares from the Trade Date, and (b) stamp duties or increases introduced in the rates of stamp duties with respect to the Shares in effect or after the Trade Date.

"**Temporary Global Note**" has the meaning given in Condition 2(b)(ii).

"**Tender Offer**" means, in respect of the Shares, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, more than ten per cent. and less than 100 per cent. of the outstanding voting Shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems in its determination relevant.

"**Tender Offer Date**" means, in respect of a Tender Offer, the date on which voting Shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

"**Trading Disruption**" means, in respect of the Shares, any suspension of or limitation imposed on trading (i) by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, or (ii) in futures or options contracts relating to the Shares.

"**Tranche**" has the meaning given in Condition 1(c).

"**US Person**" means "US person" as defined in Regulation S or the Code, as the context requires.

"**US Source Income**" means income that is treated for US income tax purposes as being from sources within the United States.

"**Valuation Date**" means:

- (i) in respect of the determination of the Final Redemption Amount, the date specified as such in the relevant Final Terms; or
- (ii) in respect of the determination of the Early Redemption, the date following as soon as practicable after the Calculation Agent has become aware of the event leading to the early redemption of the Notes,

(each such date, the "**Scheduled Valuation Date**") provided that (A) if any such day is not an Exchange Business Day, the next succeeding Exchange Business Day and (B) if the Reference Jurisdiction is the Kingdom of Saudi Arabia, the Valuation Date shall not be more than four years from the Trade Date.

"**Valuation Period**" means the period commencing on (and including) the Valuation Date and ending on (and including) the Exchange Business Day immediately following the date on which (as determined by the Calculation Agent in its discretion) a Hypothetical Investor would have completed the sale of the Aggregate Number of Shares.

"**Valuation Period End Date**" means the last date of the Valuation Period.

FORM OF FINAL TERMS FOR NOTES

[ISIN: [●]]
[Common Code: [●]]
[CUSIP: [●]]

FINAL TERMS

EFG-Hermes MENA Securities Limited

(registered as a limited liability company in the British Virgin Islands under No. 1424759)

These Final Terms should be read in conjunction with the Base Prospectus dated 15 November 2010 [(as supplemented by the Supplemental Prospectus dated [●])] relating to the Securitised Holding Abwab Market Access Listed (SHAMAL) Notes Programme of EFG-Hermes MENA Securities Limited (the "**Issuer**").

Series []

[ISSUE AMOUNT]¹ Notes linked to [Share Issuer] due [YEAR OF MATURITY]

Issue Price: [] per Note

Final Terms dated []

¹ If the Settlement Currency is other than Euro and the Denomination is less than an integral amount, Euroclear and Clearstream will not clear the relevant Notes unless they are booked "nominally" (or "unitarily"). To achieve this, the name of the Notes must be expressed a number of securities (as opposed to an aggregate nominal amount) and the issue price must be expressed as a monetary amount (and not a percentage).

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 15 November 2010 [and the supplemental Prospectus dated [●]] (the "**General Terms and Conditions**") which [together] constitute[s] for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") a Prospectus. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive, and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer, the Guarantor, and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the supplemental Prospectus] [is] [are] available for viewing at the registered office of the Issuer[, [and in electronic form on the Irish Stock Exchange Website (www.ise.ie) (*include only for listed notes*).]]

In the event of any inconsistency between the Final Terms and the General Terms and Conditions, the Final Terms will prevail.

"**Condition**" refers to the General Terms and Conditions of the Notes as specified in the Base Prospectus.

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

[When completing final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1	Issue:	Notes linked to [ordinary shares] of [SHARE ISSUER]
	(i) Series Number:	[●]
	(ii) Tranche Number:	[●]
		<i>[If fungible with an existing Series, provide details, including the date on which the Notes become fungible.]</i>
2	Settlement Currency or Currencies:	[●]
3	Aggregate Nominal Amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]
4	Issue Price:	[[●] per cent. of the Aggregate Nominal Amount] OR [[US\$] [●] (being [●] per cent. of the Aggregate Nominal Amount)] ¹
5	(i) Specified Denomination(s):	[●]
	(ii) Calculation Amount:	[Specified Denomination] [●]
6	Issue Date:	[●]

¹ If the Settlement Currency is other than Euro and the Denomination is less than an integral amount, Euroclear and Clearstream will not clear the relevant Notes unless they are booked "nominally" (or "unitarily"). To achieve this, the name of the Notes must be expressed a number of securities (as opposed to an aggregate nominal amount) and the issue price must be expressed as a monetary amount (and not a percentage).

- 7 Trade Date: [●]
- 8 Scheduled Maturity Date: [●] [The date which falls two Business Day after the Scheduled Valuation Date]

THE SHARES

- 9 Share Issuer: [●]
- 10 Shares: [The Shares to which the Notes are linked]
- The [ordinary] [preference] shares of the Share Issuer. Further information on the Shares, including information on their past and further performance, can be found on the website of the Exchange at [WEBSITE] under symbol [●] (such website does not form part of these Final Terms.
- (i) Bloomberg Code: [●]
- (ii) ISIN: [●]
- 11 Exchange(s): [●] [The stock exchange(s) on which the Shares are listed]
- 12 Related Exchange: [●] [The stock exchanges on which options and futures in the Shares are traded. Used for the definition of Scheduled Trading Day.]
- 13 Initial Fixing Date: [●]
- Initial Price: [●] [The volume-weighted price per Share on the Initial Fixing Date]

VALUATION PROVISIONS

- 14 Final Redemption Amount: [As specified in Condition 5(a)] [other] [if other, give details]
- 15 Number of Shares per Note: [●]
- 16 Final Sale Price: [Share Price] [other] [if other, give details]
- 17 Valuation Date: [●] [Specify a date not less than two Business Days prior to the Scheduled Maturity Date]
- 18 Early Redemption Amount: [As specified in Condition 5(b)] [other] [if other, give details]

ADDITIONAL AMOUNT

- 19 Additional Amount: [Applicable] [Not Applicable] (further particulars specified below)
- 20 Additional Amount Period: [As defined in Condition 21 (Definitions)] [other] [if other, give details]

OTHER PROVISIONS

- 21 Reference Jurisdiction: [●]

- 22 Additional Financial Centres (for Business Days): [●]
- 23 Additional Provisions: [Not Applicable] [*Give details*]

FORM OF NOTES

- 24 Form of Notes: [Bearer Notes / Registered Notes]
 [Global Note] [Rule 144A Global Certificate] [Regulation S Global Certificate] [represented by a Temporary Global Note and exchangeable for a Permanent Global Note] [represented by a Permanent Global Note] and exchangeable for definitive Notes in certain limited circumstances.

DISTRIBUTION

- 25 Dealer(s): [Financial Brokerage Group]
- 26 US Selling Restrictions: [Notes may not be offered or sold within the United States or to or for the account or the benefit of a US person (as defined in Regulation S) as set forth under "Transfer Restrictions" in the Base Prospectus] [Notes may be offered or sold within the United States or to or for the account or the benefit of a US person (as defined in Regulation S) only in compliance with the provisions set forth under "Transfer Restrictions" in the Base Prospectus.]
- 27 Additional Selling Restrictions: [●]

BUY-BACK PROVISIONS

[Applicable – see (Annex - *Buy-Back Provisions*)]
 [Not Applicable]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [admission to the Official List and trading on the regulated market of the Irish Stock Exchange] of the Notes described herein pursuant to the Securitised Holding Abwab Market Access Listed (SHAMAL) Notes Programme of EFG-Hermes MENA Securities Limited (the "**Issuer**").

RESPONSIBILITY

[The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.]

Signed on behalf of the Issuer:

By: _____
 Duly authorised

By: _____
 Duly authorised

Signed on behalf of the Guarantor:

By: _____
Duly authorised

By: _____
Duly authorised

PART B – OTHER INFORMATION

1. **Listing and Admission to Trading**

[Application [will be/has been/may at the Issuer's discretion be] made to the [Irish Stock Exchange] for the Notes to be admitted to the Official List and trading on its regulated market with effect from, at the earliest, the Issue Date. No assurances can be given that such application for admission to trading will be granted (or, if granted, will be granted by the Issue Date)/Not Applicable.]

2. **Authorisation**

The issue of Notes has been authorised pursuant to a resolution passed by the Board of Directors of the Issuer passed on 11 November 2010.

3. **Post-Issuance Information**

The Issuer and the Guarantor will not provide any post-issuance information with respect to the Notes or the Shares unless required to do so by applicable law or regulations.

4. **Clearing System**

[The clearing system for the Notes is] [Euroclear] [Clearstream, Luxembourg] [DTC] [Not applicable].

5. **Names/Addresses of agents**

The Calculation Agent

EFG-Hermes UAE Limited
Level 6, West Wing
The Gate
Dubai International Finance Centre
P.O. Box 30727
Dubai
U.A.E.

The Fiscal Agent and Exchange Agent

Deutsche Bank AG, London branch
Winchester House
1 Great Winchester Street
London
EC2N 2DB
England

The US Paying Agent, Transfer Agent, US Registrar and custodian for DTC

Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor
MS: NYC60 2710
New York
NY 10005
United States of America
Attn: Corporates Team/EFG Hermes
Fax: +001 732 578 4635

Copy to:

Deutsche Bank National Trust Company
 25 DeForest Avenue, 2nd Floor
 Summit, New Jersey 07901
 Attn: Irina Golovashchuk
 Fax: +001 732 578 4635

[Listing Agent]

[Details to be inserted if applicable]

6. **[Terms And Conditions Of The Offer¹**

Conditions to which the offer is subject:	[Not Applicable/Offers of the Notes are conditional upon their issue]
Offer Price:	[Issue Price][specify]
Description of the application process:	[Not Applicable/give details]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/give details]
Details of the minimum and/or maximum amount of application:	[Not Applicable/give details]
Details of the method and time limited for paying up and delivering the Notes:	[Not Applicable/The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/give details]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/give details]
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/Offers may be made by offerors authorised to do so by the Issuer in <i>[insert jurisdiction where the Base Prospectus has been approved and published and jurisdictions into which it has been passported]</i> to any person <i>[insert suitability criteria, if any are deemed appropriate, pursuant to any applicable conduct of business rules]</i> . In other EEA countries, offers will only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to

¹ Only applicable to public offers.

publish a prospectus.]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:

[Not Applicable/give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

[Not Applicable/give details]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.

[None/give details]

ANNEX - BUY-BACK PROVISIONS

To the extent that, and for so long as the Calculation Agent determines (in its sole and absolute discretion) that normal market conditions exist the Issuer shall, during local market hours in the Reference Jurisdiction on each Business Day from, and including, the Issue Date to, but excluding, the Valuation Date, provide at a Noteholder's request indicative bid and ask prices in respect of the Notes as soon as reasonably practicable following receipt of such request by the Issuer. For the avoidance of doubt, such bid and ask prices are for indicative purposes only, and are subject to change in accordance with normal market movements.

In addition, to the extent that, and for so long as the Calculation Agent determines (in its sole and absolute discretion) that normal market conditions exist, the Issuer shall, following a request from a Noteholder received by the Issuer during the normal local market hours on any Business Day from, and including, the Issue Date to, but excluding, the Valuation Date, accept a sale order (a "**Buy-back Order**") from a Noteholder specifying a certain number of Notes to be sold, subject to any specified local price and volume conditions, and all applicable laws and regulations. The price at which the Issuer fills such Buy-back Order and purchases such Notes from such Noteholder will reflect (i) the price which the Hedge Counterparty would receive on an unwind of a portion of the Hedge Position which corresponds to the number of Notes specified in the Buy-back Order and (ii) the Applicable Exchange Rate at such time. Any Buy-back Order will therefore reflect the market conditions at such time, the liquidity of the Notes at such time, any conditions specified in any relevant order from a Noteholder and the Applicable Exchange Rate at such time. Any Buy-back Order shall be executed in good faith and a commercially reasonable manner, based on the factors described below.

If the Calculation Agent considers (in its sole and absolute discretion) that market conditions make it impossible or impracticable to provide an indicative bid or ask price and/or to accept or execute a Buy-back Order, then the Issuer's related obligations hereunder shall be postponed to the following Business Day on which the Calculation Agent (in its sole and absolute discretion) determines that such market conditions have ceased to exist and that it considers it possible and practicable to determine such indicative bid and ask prices or to accept or execute such Buy-back Order, as the case may be. For the avoidance of doubt, such market conditions could continue until the Maturity Date of the Notes.

FORM OF EFG-HERMES HOLDING S.A.E. GUARANTEE

The following is the form of guarantee given by EFG-Hermes Holding S.A.E. in respect of Notes issued by EFG-Hermes MENA Securities Limited under the Programme.

THIS DEED OF GUARANTEE is made on [●] November 2010

BY

(1) **EFG-HERMES HOLDING S.A.E.** (the "**Guarantor**")

IN FAVOUR OF

- (2) **THE NOTEHOLDERS** (as defined in the Conditions set out in the Base Prospectus described below); and
- (3) **THE ACCOUNTHOLDERS** (as defined in the Deed of Covenant described below) (together with the Noteholders, the "**Beneficiaries**" and each, a "**Beneficiary**").

WHEREAS

- (A) EFG-Hermes MENA Securities Limited (the "**Issuer**") and the Guarantor have established a Securitised Holding Abwab Market Access Listed (SHAMAL) Notes Programme (the "**Programme**") in connection with which they have entered into an amended and restated dealer agreement dated 12 November 2010 (the "**Dealer Agreement**") and an amended and restated agency agreement dated on or about 12 November 2010 (the "**Agency Agreement**") and the Issuer has executed a deed of covenant dated 16 November 2009 (the "**Deed of Covenant**").
- (B) Application has been made to the Irish Stock Exchange (the "**Irish Stock Exchange**") for Notes (the "**Notes**") issued under the Programme on and during the period of twelve months after the date of approval of such application to be admitted to the Official List and trading on its regulated market. Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
- (C) Notes may be issued either (1) pursuant to the Base Prospectus describing the Programme and Final Terms describing the final terms of the particular Tranche of Notes or (2) pursuant to a prospectus (a "**Drawdown Prospectus**") relating to a particular Tranche of Notes.
- (D) The Guarantor has guaranteed the payment of all sums expressed to be payable from time to time by the Issuer to Noteholders in respect of the Notes and to Accountholders in respect of the Deed of Covenant by a deed dated 16 November 2009 (the "**Original Guarantee**").
- (E) The Guarantor wishes to grant this new Deed of Guarantee in respect of all Notes issued under the Programme on or after the date hereof (subject to replacement by a subsequent guarantee pursuant to clause 1.6 (Benefit of Deed of Guarantee) hereof), and also wishes that all Notes issued under the Programme which are issued and outstanding as at the date hereof shall also have the benefit of this new Deed of Guarantee subject to the terms and conditions set out herein.

NOW THIS DEED OF GUARANTEE WITNESSES as follows:

1. **INTERPRETATION**

1.1 **Definitions**

All terms and expressions which have defined meanings in the Conditions, the Dealer Agreement, the Agency Agreement or the Deed of Covenant shall have the same meanings in this Deed of Guarantee except where the context requires otherwise or unless otherwise stated.

1.2 **Clauses**

Any reference in this Deed of Guarantee to a clause is, unless otherwise stated, to a clause of this Deed of Guarantee.

1.3 **Other agreements**

All references in this Deed of Guarantee to an agreement, instrument or other document (including the Base Prospectus, the Dealer Agreement, the Agency Agreement and the Deed of Covenant) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, restated, extended, replaced or novated from time to time. In addition, in the context of any particular Tranche of Notes, each reference in this Deed of Guarantee to the Base Prospectus shall be construed as a reference to the Base Prospectus as supplemented and/or amended by the relevant Final Terms.

1.4 **Legislation**

Any reference in this Deed of Guarantee to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1.5 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Guarantee.

1.6 **Benefit of Deed of Guarantee**

Any Notes issued under the Programme on or after the date of this Deed of Guarantee shall have the benefit of this Deed of Guarantee but shall not have the benefit of any subsequent guarantee relating to the Programme (unless expressly so provided in any such subsequent guarantee).

Any Notes issued under the Programme which are issued and outstanding as at the date hereof ("**Outstanding Notes**") shall also have the benefit of this Deed of Guarantee (and for the avoidance of doubt and, pursuant to clause 12 (Arbitration) of this Deed of Guarantee, any disputes arising out of or in connection with this Deed of Guarantee shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration). For the further avoidance of doubt, the Guarantor acknowledges and affirms that the Original Guarantee remains valid in respect of Outstanding Notes, and affirms that, pursuant to clause 11.2 (Jurisdiction) of the Original Guarantee, the courts of England have jurisdiction to settle disputes arising out of or in connection with the Original Guarantee. Subject to the next sentence, the Guarantor waives any objection to valid claims in respect of Outstanding Notes being brought under either the Original Guarantee or under this Deed of Guarantee. However, it shall be a condition of any claim being validly made under this Deed of Guarantee that no claim has been or will be made for the same amount or in respect of the same loss under the Original Guarantee by the relevant Noteholder or Accountholder in respect of the relevant Notes. The acknowledgements, affirmations, waivers and statements for the avoidance of doubt in this clause 1.6 of this Deed of Guarantee are all subject to the provisos that a Noteholder or an Accountholder (i) may not make claims outstanding for the same amount or loss in relation to the relevant Notes under both the Original Guarantee and this Deed of Guarantee and (ii) is not entitled to recover more than once in respect of the same amount or loss in respect of the relevant Notes.

2. GUARANTEE AND INDEMNITY

2.1 Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees:

- (a) The Notes: to each Noteholder the due and punctual payment of all sums from time to time payable by the Issuer in respect of the relevant Note as and when the same become due and payable and accordingly undertakes to pay to such Noteholder, forthwith upon the demand of such Noteholder and in the manner and currency prescribed by the Conditions of such Note for payments by the Issuer in respect of such Note, any and every sum or sums which the Issuer is at any time liable to pay in respect of such Note and which the Issuer has failed to pay; and
- (b) The Direct Rights: to each Accountholder the due and punctual payment of all sums from time to time payable by the Issuer to such Accountholder in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Accountholder, forthwith upon the demand of such Accountholder and in the manner and currency prescribed by the Conditions of the relevant Notes for payments by the Issuer in respect of the Notes, any and every sum or sums which the Issuer is at any time liable to pay to such Accountholder in respect of the Notes and which the Issuer has failed to pay.

2.2 Indemnity

The Guarantor irrevocably and unconditionally agrees as a primary obligation to indemnify each Beneficiary from time to time, forthwith upon demand by such Beneficiary, from and against any loss, liability or cost incurred by such Beneficiary as a result of any of the obligations of the Issuer under or pursuant to any Note, the Deed of Covenant or any provision thereof being or becoming void, voidable, unenforceable or ineffective for any reason whatsoever, whether or not known to such Beneficiary or any other person, the amount of such loss being the amount which such Beneficiary would otherwise have been entitled to recover from the Issuer. Any amount payable pursuant to this indemnity shall be payable in the manner and currency prescribed by the Conditions of the relevant Notes for payments by the Issuer in respect of the Notes. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action.

3. COMPLIANCE WITH THE CONDITIONS

The Guarantor covenants in favour of each Beneficiary in respect of Notes that it will duly perform and comply with the obligations expressed to be undertaken by it in the Conditions of such Notes.

4. PRESERVATION OF RIGHTS

4.1 Principal obligor

The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

4.2 Continuing obligations

The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Issuer's obligations under or in respect of any Note or the Deed of Covenant and shall continue in full force and effect for so long as the Programme remains in effect and thereafter until all sums due from the Issuer in respect of the Notes and under the Deed of Covenant have been paid, and all other actual or contingent obligations of the Issuer thereunder or in respect thereof have been satisfied, in full.

4.3 **Obligations not discharged**

Neither the obligations of the Guarantor contained in this Deed of Guarantee nor the rights, powers and remedies conferred upon the Beneficiaries by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:

- (a) *Winding-up*: the winding-up, dissolution, administration, re-organisation or moratorium of the Issuer or any change in its status, function, control or ownership;
- (b) *Illegality*: any of the obligations of the Issuer under or in respect of any Note or the Deed of Covenant being or becoming illegal, invalid, unenforceable or ineffective in any respect;
- (c) *Indulgence*: time or other indulgence (including for the avoidance of doubt, any composition) being granted or agreed to be granted to the Issuer in respect of any of its obligations under or in respect of any Note or the Deed of Covenant;
- (d) *Amendment*: any amendment, novation, supplement, extension, (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement, waiver or release of, any obligation of the Issuer under or in respect of any Note or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof including, without limitation, any change in the purposes for which the proceeds of the issue of any Note are to be applied and any extension of or any increase of the obligations of the Issuer in respect of any Note or the addition of any new obligations for the Issuer under the Deed of Covenant; or
- (e) *Analogous events*: any other act, event or omission which, but for this clause 4.3, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law.

4.4 **Settlement conditional**

Any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by the Issuer or any other person on the Issuer's behalf being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.

4.5 **Exercise of Rights**

No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:

- (a) *Demand*: to make any demand of the Issuer, save for the presentation of the relevant Note;
- (b) *Take action*: to take any action or obtain judgment in any court against the Issuer; or
- (c) *Claim or proof*: to make or file any claim or proof in a winding-up or dissolution of the Issuer,

and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of any Note.

4.6 **Deferral of Guarantor's rights**

The Guarantor agrees that, so long as any sums are or may be owed by the Issuer in respect of any Note or under the Deed of Covenant or the Issuer is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any rights which

the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:

- (a) *Indemnity*: to be indemnified by the Issuer;
- (b) *Contribution*: to claim any contribution from any other guarantor of the Issuer's obligations under or in respect of any Note or the Deed of Covenant; or
- (c) *Subrogation*: to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Beneficiary against the Issuer in respect of amounts paid by the Guarantor under this Deed of Guarantee or any security enjoyed in connection with any Note or the Deed of Covenant by any Beneficiary.

4.7 **Pari passu ranking**

The Guarantor undertakes that its obligations hereunder will at all times rank at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **DEPOSIT OF DEED OF GUARANTEE**

This Deed of Guarantee shall be deposited with and held by the Fiscal Agent, for so long as the Programme remains in effect and thereafter until the date which is two years after all the obligations of the Issuer under or in respect of the Notes (including, without limitation, its obligations under the Deed of Covenant) have been discharged in full. The Guarantor hereby acknowledges the right of every Beneficiary to the production of this Deed of Guarantee.

6. **STAMP DUTIES**

The Guarantor shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

7. **BENEFIT OF DEED OF GUARANTEE**

7.1 **Deed poll**

This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

7.2 **Benefit**

This Deed of Guarantee shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.

7.3 **Assignment**

The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

8. **PARTIAL INVALIDITY**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

9. **NOTICES**

9.1 **Address for notices**

All notices, demands and other communications to the Guarantor hereunder shall be made in writing (by letter or fax) and shall be sent to the Guarantor at:

EFG-Hermes Holding S.A.E.
Building No. B129
Phase 3, Smart Village
Km 28 Cairo Alexandria Desert Road
6 October 12577, Egypt
Fax: +9714 330 0918

Attention: Mr Moustafa Conelly

or to such other address or fax number or for the attention of such other person or department as the Guarantor has notified to the relevant Noteholders in the manner prescribed for the giving of notices in connection with the relevant Notes.

9.2 **Effectiveness**

Every notice, demand or other communication sent in accordance with clause 9.1 (Address for notices) shall be effective upon receipt by the Guarantor; provided that any such notice, demand or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in Cairo.

10. **CURRENCY INDEMNITY**

If any sum due from the Guarantor under this Deed of Guarantee or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under this Deed of Guarantee or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Guarantor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to this Deed of Guarantee, the Guarantor shall indemnify each Beneficiary on demand against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Beneficiary may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action.

11. **LAW AND JURISDICTION**

11.1 **Governing Law**

This Deed of Guarantee (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Deed of Guarantee or its formation) shall be governed by and construed in accordance with English law.

12. **ARBITRATION**

12.1 Any dispute arising out of or in connection with this Deed of Guarantee, including any question regarding its existence, validity, formation or termination, shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration, which Rules are deemed to be incorporated by reference into this Deed of Guarantee.

12.2 The number of arbitrators shall be three.

- 12.3 The seat, or legal place, of arbitration shall be London.
- 12.4 The language to be used in the arbitral proceedings shall be English.

13. **MODIFICATION**

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to Notes, including the modification of any provision of this Deed of Guarantee. Any such modification to the Deed of Guarantee may be made by supplemental deed poll if sanctioned by an Extraordinary Resolution and shall be binding on all Beneficiaries.

IN WITNESS whereof this Deed of Guarantee has been executed by the Guarantor and is intended to be and is hereby delivered on the date first before written.

Executed as a deed and delivered by a duly authorised signatory of

EFG-HERMES HOLDING S.A.E.

INFORMATION ABOUT EFG-HERMES MENA SECURITIES LIMITED

History, Development and Organisational Structure

The Issuer's legal and commercial name is EFG-Hermes MENA Securities Limited.

The Issuer was incorporated in the British Virgin Islands, with registered number 1424759 on 9 August 2007 for an unlimited duration.

The Issuer was incorporated as a limited company under the BVI Business Companies Act (No. 16 of 2004). The Issuer's registered office is Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands and the telephone number of its registered agent is +1 284 852 3000.

The Issuer's objective is to "to carry out any object not prohibited by the BVI Business Companies Act, 2004 or as the same may be revised from time to time, or any other law of the British Virgin Islands" (see article 5 ("General Objects and Powers") of the memorandum of association). The Issuer's purpose is to act as the intermediary in dealings in shares and bonds.

Directors of EFG-Hermes MENA Securities Limited

Directors

The following persons are the members of the Board of Directors of the Issuer as at the date of this Base Prospectus. The business address of each Director is Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt:

Name	Position
Yasser El Mallawany	Director and Chief Executive Officer and Board Member of the Guarantor. Mr El Mallawany holds a Bachelor of Arts degree in Accounting from Cairo University.
Ramsay Zaki	Director and Chief Operating Officer and Board Member of the Guarantor. Mr Zaki holds a Bachelor of Science degree from the Faculty of Commerce, Cairo University.
Mohamed Arafa	Director and Chief Financial Officer of the Guarantor. Mr Arafa holds a Bachelor of Arts degree in Commerce and Business Administration from Helwan University, Cairo.
Maples Corporate Services (BVI) Limited	Registered Agent.

"**Directors**" means the directors of the Issuer (and each a "**Director**"), being at the date of this Base Prospectus the persons whose names are listed in the table above.

There are no principal activities performed by the Directors outside EFG-Hermes MENA Securities Limited which are significant to EFG-Hermes MENA Securities Limited as Issuer, except that Yasser El Mallawany is the Chief Executive Officer, Ramsay Zaki is the Chief Operating Officer, and Mohamed Arafa is the Chief Financial Officer of the Guarantor. Both Yasser El Mallawany and Ramsay Zaki are also Board Members of the Guarantor.

Conflicts of Interest

There are no conflicts of interest or potential conflicts of interest between any duties which the persons listed above are to the Issuer and their private interests or other duties.

Audit Committee

The Issuer does not have a separate audit committee.

Auditors

9 August 2007 – 31 December 2008

KPMG Fakhro
5th Floor
Chamber of Commerce Building
PO Box 710, Manama
Kingdom of Bahrain

KPMG Fakhro is a Bahrain partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("**KPMG International**"), a Swiss entity. KPMG Fakhro is registered with and regulated by the Bahrain Ministry of Industry and Commerce.

1 January 2009 - present

KPMG UAE
32nd floor
Emirates Towers, Sheikh Zayed Road
PO Box 3800, Dubai
United Arab Emirates

KPMG UAE is a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss entity. KPMG is authorised by The Supervisory Board of Public Accountants – Revisorsnämnden (RN), and is a member of FAR SRS.

Corporate Governance

The Issuer has adopted corporate governance policies which comply with established and accepted principles of corporate governance in the British Virgin Islands.

Capital Structure

The authorised share capital of the Issuer is USD 500 divided into 50,000 ordinary shares of USD 0.01 each. The total issued and paid up share capital amounts to 50,000 shares. The Issuer does not hold any of its own shares.

Indebtedness Statement

The indebtedness of the Issuer is set out in the audited financial statements of the Issuer in respect of the year ended 31 December 2009 and in the interim half-yearly financial statements of the Issuer for the six months ended 30 June 2010, as reviewed by the auditors. There has been no material change to the indebtedness since 30 June 2010.

Major Shareholders

The Issuer's share capital is owned solely by EFG-Hermes Advisory BVI.

There are no measures in place other than statutory measures to ensure that control of the Issuer will not be abused.

Principal Activities and Business of the Issuer

The primary activity and business of the Issuer is to act as an intermediary in dealings in shares and bonds and to issue the Notes under the Programme and enter into the transactions contemplated by the Programme. The Issuer's activities are organised and integrated with the businesses of the Guarantor.

Major Customers, Suppliers or other material dependencies of the Issuer

See the paragraph entitled "Major Customers, Suppliers or other material dependencies of the Guarantor" in the section of this Base Prospectus headed "Information about EFG-Hermes Holding S.A.E." below.

Security or principal investments by the Issuer

The Issuer's business involves acting as an intermediary in dealings in shares and bonds, and its business forms an integral part of the Guarantor's group business. See the paragraph entitled "Security or principal investments by the Guarantor" in the section of this Base Prospectus headed "Information about EFG-Hermes Holding S.A.E." below.

Trends

To the knowledge of the Issuer, there are, as at the date of this Base Prospectus, no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the prospects of the Issuer for the current financial year. As an (indirectly) wholly-owned subsidiary of the Guarantor, however, the Issuer will be impacted by the Guarantor's prospects. See the paragraph entitled "Trend Information" in the section of the Base Prospectus headed "Information about EFG-Hermes Holding S.A.E." below.

Dividend

The Issuer has not paid any dividends since its date of incorporation.

Group Structure

The Issuer does not have any subsidiaries. The Issuer is indirectly wholly owned by the Guarantor. See the paragraph entitled "Subsidiaries" in the section of this Base Prospectus headed "Information about EFG-Hermes Holding S.A.E." below.

**SELECTED FINANCIAL INFORMATION RELATING TO EFG-HERMES MENA
SECURITIES LIMITED**

The following tables set out in summary form balance sheet, income statement and cash flow information relating to the Issuer. Such information is derived from the audited financial statements of the Issuer as at and for the periods ended 31 December 2008 and 31 December 2009 and the interim reviewed financial statements for the Issuer for the six-month period ending 30 June 2010 and 30 June 2009. The financial statements of the Issuer as at and for the period ending 31 December 2008 and 31 December 2009 were prepared by the management in accordance with International Financial Reporting Standards ("IFRS") and audited by KPMG Fakhro (December 2008 financial statements) and by KPMG UAE (December 2009 financial statements) in accordance with International Standards on auditing (ISA). The condensed interim financial statements of the Issuer have been prepared by the management in accordance with International Financial Reporting Standards, IAS 34; KPMG UAE has conducted a review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information performed by the Independent Auditor of the entity." The tables should be read in conjunction with the audited or reviewed financial statements, the auditors' report or the auditors' review, (as applicable), and the accompanying notes thereto, which are included in the schedule to this Base Prospectus. The auditors have not resigned and were not removed during the period covered by the financial statements.

Balance Sheets

Balance sheet as at 31 December 2009 and 31 December 2008

BALANCE SHEET	As at 31 December 2009	As at 31 December 2008
	USD	USD
ASSETS		
Amounts due from related parties		
– at fair value through profit or loss ("FVTPL")	341,128,569	98,499,150
– at amortised cost	2,301,088	1,321,726
Cash at bank	2,729,325	-
Trade receivables	<u>2,328</u>	<u>2,840,685</u>
Total assets	<u>346,161,310</u>	<u>102,661,561</u>
EQUITY		
Share capital	500	500
Retained earnings	<u>2,766,029</u>	<u>918,350</u>
Total equity	<u>2,766,529</u>	<u>918,850</u>
LIABILITIES		
Payables under share swap transactions at FVTPL	341,128,569	98,499,150
Amounts due to related parties	82,395	2,007,663
Trade payables and accrued expenses	<u>2,183,817</u>	<u>1,235,898</u>
Total liabilities	<u>343,394,781</u>	<u>101,742,711</u>
Total equity and liabilities	<u>346,161,310</u>	<u>102,661,561</u>

Selected Financial Information Relating to EFG-Hermes MENA Securities Limited

Balance sheet as at 30 June 2010 and 30 June 2009

BALANCE SHEET	As at 30 June 2010	As at 30 June 2009
	USD	USD
ASSETS		
Amounts due from related parties		
– at fair value through profit or loss ("FVTPL")	249,465,926	177,832,406
– at amortised cost	13,214,305	1,995,714
Cash at bank	4,717,248	-
Trade receivables	1,978,880	1,243,823
Total assets	269,376,359	181,071,943
EQUITY		
Share capital	500	500
Retained earnings	4,006,107	1,913,782
Total equity	4,006,607	1,914,282
LIABILITIES		
Payables under share swap transactions at FVTPL	249,465,926	177,832,406
Amounts due to related parties	10,471,171	110,706
Trade payables and accrued expenses	5,432,655	1,214,549
Total liabilities	265,369,752	179,157,661
Total equity and liabilities	269,376,359	181,071,943

Income Statements

Income statement for the period from 1 January 2009 to 31 December 2009 and the period from 9 August 2007 to 31 December 2008

INCOME STATEMENT	Period from 1 January 2009 to 31 December 2009	Period from 9 August 2007 to 31 December 2008
	USD	USD
Commission income	2,643,059	1,322,821
Realised gain on shares swap transactions	20,931,867	51,784,306
Realised loss on shares swap contracts with a related party	(20,931,867)	(51,784,306)
Unrealised fair value gain on payables under share swap transactions	14,482,157	23,759,004
Unrealised fair value loss on amounts due from related parties at FVTPL	(14,482,157)	(23,759,004)

Selected Financial Information Relating to EFG-Hermes MENA Securities Limited

Administrative and general expenses	(795,380)	(404,471)
Profit for the period	1,847,679	918,350

Income statements for the six-month period ended 30 June 2010 and the comparative period ended 30 June 2009

INCOME STATEMENT	For the period from 1 January 2010 to 30 June 2010	For the period from 1 January 2009 to 30 June 2009
	USD	USD
Commission income	1,416,904	1,225,704
Realised (loss)/gain on shares swap transactions	(13,025,108)	(7,991,063)
Realised gain on shares swap contracts with a related party	13,025,108	7,991,063
Unrealised fair value (loss)/gain on payables under share swap transactions	(21,642,969)	(5,835,736)
Unrealised fair value gain/(loss) on shares swap transactions with a related party	21,642,969	5,835,736
Administrative and general expenses	(176,826)	(230,272)
Profit for the period	1,240,078	995,432

Cash Flow Statements

Cash flow statement for the period from 1 January 2009 to 31 December 2009 and from 9 August 2007 to 31 December 2008

	Period from 1 January 2009 to 31 December 2009	Period from 9 August 2007 to 31 December 2008
Cash flows from operating activities	USD	USD
Profit for the period	1,847,679	918,350
Realised gain on share swap transactions	20,931,867	(51,784,306)
Fair value adjustment in respect of share swap transactions	14,482,157	(23,759,004)
Amounts due from related parties	(243,608,781)	(99,820,376)
Trade receivables	2,838,357	(2,840,685)
Cash received in respect of share swap transactions	573,774,718	225,664,078
Cash paid on termination of share swap transactions	(366,559,323)	(51,621,618)
Amounts due to a related party	(1,925,268)	2,007,663

Selected Financial Information Relating to EFG-Hermes MENA Securities Limited

Trade payables and accrued expenses	947,919	1,235,898
Net cash as at end of year	2,729,325	-

Cash flow statement for the six-month period ended 30 June 2010 and the comparative period ended 30 June 2009

	Period ended 30 June 2010	Period ended 30 June 2009
Cash flows from operating activities	USD	USD
Profit for the period	1,240,078	995,432
Realised gain on share swap transactions	(13,025,108)	7,991,063
Fair value adjustment in respect of share swap transactions	21,642,969	5,835,736
Amounts due from related parties	80,749,426	(80,007,244)
Trade receivables	(1,976,552)	1,596,862
Cash received in respect of share swap transactions	216,539,822	251,156,410
Cash paid on termination of share swap transactions	(316,820,326)	(185,649,953)
Amounts due to a related party	10,388,776	(1,896,957)
Trade payables and accrued expenses	3,248,838	(21,349)
Cash at the beginning of the year	2,729,325	-
Net cash as at end of year	4,717,248	-

INFORMATION ABOUT EFG-HERMES HOLDING S.A.E.

History, Development and Organisational Structure

The Guarantor's legal and commercial name is EFG-Hermes Holding S.A.E.

The Guarantor was incorporated in Egypt, with registered number 64214 on 16 June 1998 for a period of 25 years (following the merger of the Egyptian Financial Group and Hermes Financial in 1996) and is renewable.

The Guarantor was incorporated as a Public Joint Stock Company pursuant to decree No. 106 of 1984 and operates under the Egyptian Capital Market Company Law No 159 of 1981 and Capital Market Law 95 of 1992. The Guarantor's registered office and principal administrative establishment is Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt and the telephone number of its registered office is + 20 2 3535 6499.

The Guarantor's objective is to contribute to "the founding of companies that issue securities or to increasing their capital" (see part one, article three of the articles of association of the Guarantor). Under its articles, the Guarantor may have interest in or participate in any way with investment companies that practice businesses similar to its own, or which may assist it in achieving its objective in Egypt or abroad.

Management of EFG-Hermes Holding S.A.E.

Executive Officers

The following persons are the Executive Officers of EFG-Hermes Holding S.A.E. as at the date of this Base Prospectus. The business address of each Executive Officer is Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt:

<u>Name</u>	<u>Title</u>
Hassan Heikal	Chief Executive Officer and Board Member
Yasser El Mallawany	Chief Executive Officer and Board Member
Sherif Cararah	Head of Brokerage and Board Member
Ramsay Zaki	Chief Operating Officer and Board Member
Hashem Montasser	Head of Asset Management
Hazem Shawki	Head of Private Equity
Mohamed Arafa	Chief Financial Officer
Karim Awad	Head of Investment Banking
Philip Southwell	Chief Executive Officer for Lower GCC Operations
Hossam Radwan	Chief Executive Officer for Kingdom of Saudi Arabia Operations

Directors

The following persons are the members of the Board of Directors at EFG-Hermes Holding S.A.E. as at the date of this Base Prospectus. The business address of each Director is Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt:

<u>Name</u>	<u>Principal Occupation</u>
Mona Zulficar	Non-executive Chairperson and Managing Partner at the Shalakany Law Firm, and Board Member of the Central

Name	Principal Occupation
	Bank of Egypt. Mrs Zulficar holds a Bachelor of Science degree in Economics and Political Science from Cairo University and an LLM from Mansoura University, Egypt.
Yasser El Mallawany	Director and Chief Executive Officer of EFG-Hermes. Chairman of ACE General and ACE Life Assurance, member of the Policies High Committee of the National Democratic Party, board member of the National Investment Bank, member of the Advisory Council of the Emerging Markets Private Equity Association (EMPEA), USA and treasurer of the American Chamber of Commerce in Egypt. Mr El Mallawany holds a Bachelor of Arts degree in Accounting from Cairo University.
Hassan Heikal	Director and Chief Executive Officer of EFG-Hermes. Mr Heikal holds a Bachelor of Science degree from the Faculty of Economics and Political Science, Cairo University.
Charles McVeigh III	Director and Global Chairman, Citigroup Investment Banking – Global Wealth Partnership. Mr McVeigh is an independent Board member. Mr McVeigh holds a Bachelor's degree from the University of Virginia and an MBA from Long Island University.
D William J Garrett	Director and Chairman of Redburn Partners, a brokerage house specialising in European equities, and Chairman of Zephyr Management UK. Mr Garrett is an independent Board member. Mr Garrett gained his degree in Law from Queens' College Cambridge, UK.
Robert Eichfeld	Director and former Chief Executive Officer of SAMBA (retired). Mr Eichfeld is an independent Board member. Mr Eichfeld graduated from Wake Forest University with an undergraduate degree in Economics, from the Thunderbird School of Global Management with a graduate degree in International Business Management, and from Harvard University's Executive Programme for Management Development.
Walid Kaba	Director and Director of Bullion Company Limited, and an active advisor to EFG-Hermes Private Equity. Mr Kaba holds a Bachelor of Science degree in Civil Engineering and an MBA from the University of California in Berkeley.
Ramsay Zaki	Director and Chief Operating Officer of EFG-Hermes. Mr Zaki holds a Bachelor of Science degree from the Faculty of Commerce, Cairo University.
Thomas Volpe	Managing Partner, Volpe Investments LLC. Mr Volpe is an independent member of the Board. Mr Volpe is a graduate of Harvard Business School (MBA), the London School of Economics (MSc Economics) and Harvard College (AB Economics).

Name	Principal Occupation
Sanjeev Doshi	Director and Head of Strategic Investments at Abu Dhabi Investment Authority. Mr Doshi is responsible for identifying strategic partners and assuming equity stakes in companies based in the MENA region as well as globally. Mr Doshi is an independent member of the Board. Mr Doshi is a chartered CFA holder and earned his Bachelor's degree in Economics and French at the University of Pennsylvania.
Sherif Cararah	Director and Head of Brokerage at EFG-Hermes. Mr Cararah holds a Bachelor of Commerce degree from Ain Shams University, Cairo.

Conflicts of Interest

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

Audit and Risk Committee

The Guarantor's Audit and Risk Committee comprises Mrs Mona Zulficar as Chairperson, Mr Robert Eichfeld as Alternate Chairperson, and Mr Thomas Volpe. All other members of the Board of Directors of EFG-Hermes Holding may also attend the Audit and Risk Committee meetings.

The duties of the Audit and Risk Committee are to assist the Board of Directors of EFG-Hermes Holding in fulfilling its oversight responsibilities for:

- (a) the integrity of the company's financial statements and enterprise risk management processes;
- (b) the company's compliance with legal and regulatory requirements;
- (c) the external auditor's qualifications and independence; and
- (d) the proper performance of the company's Internal Audit function and external audit by external auditors.

Auditors

KPMG Hazem Hassan
 KPMG Building
 Pyramids Heights Office Park.
 Km 22 Cairo/Alex Road
 Giza
 Cairo
 Egypt

KPMG Hazem Hassan Public Accountants and Consultants is an Egyptian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss entity. KPMG is authorised by The Supervisory Board of Public Accountants – Revisorsnämnden (RN), and is a member of FAR SRS.

Corporate Governance

The Guarantor has voluntarily adopted corporate governance policies which comply with guidance from the Egyptian Capital Markets Authority (Egyptian CMA), in particular the Egyptian CMA Company Law No 159 of 1981, Capital Market Law 95 of 1992 and Corporate Governance Code for Egyptian Companies.

Capital Structure

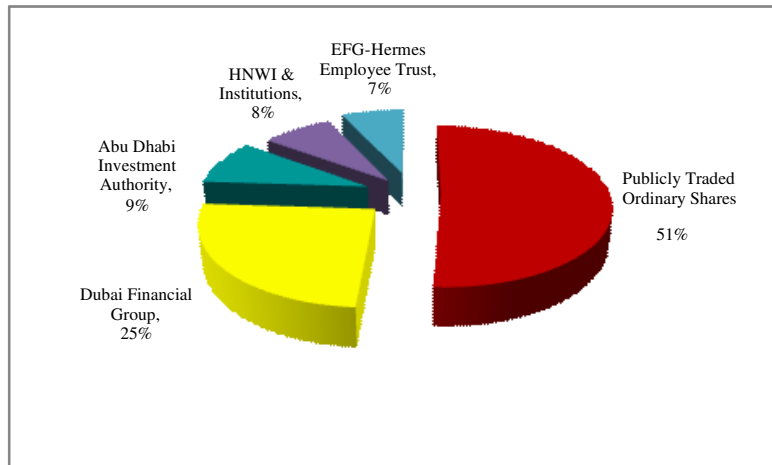
In the extraordinary general meeting on 7 April 2009, a reduction of the Guarantor's issued share capital was approved, so that the authorised share capital of the Guarantor shall be Egyptian Pounds ("EGP") 1,913,570,000, divided into 1,913,570,000 ordinary shares of EGP 1.00 each. The total issued and paid up share capital amounts to 1,913,570,000 shares.

Indebtedness Statement

The indebtedness of the Guarantor is set out in the interim half-yearly financial statements of the Guarantor in respect of the six-month period ending 30 June 2010 (set out in the 2010 Earnings Release). There have been no material changes to the indebtedness since 30 June 2010.

Major Shareholders

The Guarantor's shareholder structure is dominated by institutional investors, and includes 33 Western institutions and fund managers, who between them own 46 per cent. of the Guarantor's shares. At the end of the second quarter of 2010, the largest 50 shareholders owned 71 per cent. of the shares in the Guarantor.



On 7 April 2009, the Board of Directors resolved to redeem 5,150,000 treasury shares which were held by the Guarantor. Subsequent to such redemption, the Guarantor holds no shares in itself.

There are no measures in place other than statutory measures to ensure that control of the Guarantor will not be abused.

Principal Markets

The Guarantor has operations in Egypt, the UAE, the Kingdom of Saudi Arabia, Qatar, Lebanon, Syria, Jordan, Kuwait and Oman. Its 1000+ employees of more than 25 nationalities, enable the Guarantor to serve a considerable and diversified client base from the Middle East and North Africa Region (the "MENA Region"), Europe, Asia and the United States.

Principal Activities and Business of the Guarantor

The Guarantor's principal activities, through its subsidiaries include Investment Banking, Asset Management, Private Equity, Securities Brokerage and Research. Outlined below are the main categories of products and/or services performed:

Securities Brokerage

The Guarantor, through its Securities Brokerage subsidiaries, enjoys market leadership in nine direct markets (in which it has a local presence) and four indirect markets (in which it does not have a local

presence but executes through established third party brokers on the ground) throughout the MENA Region. The subsidiaries have some 26,000 retail and high net worth clients and over 600 institutional clients.

Asset Management

Through its Asset Management subsidiaries, EFG-Hermes manages 25 funds, which cover various countries, strategies and sectors including Islamic funds, Money Market funds, Equity and Capital Guaranteed funds. These subsidiaries also offer discretionary portfolio management services to high net worth individuals and institutional investors.

Investment Banking

The Guarantor has successfully completed approximately USD 21 billion in mergers and acquisitions transactions since 1997. Its range of services offered include identifying potential acquisition divestiture targets, creating detailed valuation analysis and transactional structures, deal execution and developing fairness opinions. It has successfully completed USD 12 billion in capital raising transactions for its clients since 1997, advising private corporations and public entities on their initial public offerings, secondary offerings, and private placements.

Private Equity

The Guarantor has managed private equity funds in Egypt for ten years and today has a presence and client base across the whole of the MENA Region. The Guarantor has investment experience in a broad range of sectors, including tourism; real estate, financial services, oil, and gas, food and agriculture, and infrastructure - with no specific sector currently representing more than a third of total invested capital.

Research

The Guarantor provides independent and objective analysis through its equity and economic research. The Guarantor is committed to providing quality publications that are insightful, creative, original and value-generative. Coverage extends across eight MENA Region countries and includes spheres such as economics, strategy and information on over 122 companies in key sectors such as finance, real estate, construction, building materials, telecoms, consumer goods and utilities.

Major Customers, Suppliers or other material dependencies of the Guarantor

The Guarantor's client base comprises institutions, governments and individual investors who range from large regional corporations and financial institutions, to retail and high net worth individuals. The Guarantor has clients in Europe, the United States, Asia, and the MENA Region.

Security or principal investments by the Guarantor

The security and principal investments of the Guarantor are set out in the interim half-yearly financial statements of the Guarantor in respect of the six months ended 30 June 2010. There have been no material changes to the security and principal investments other than as disclosed in the interim half-yearly financial statement, and any investments made have been in the Guarantor's ordinary course of business.

Trend Information

Other than as disclosed below, to the knowledge of the Guarantor, there are as at the date of this Base Prospectus, no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse effect on the prospects of the Guarantor for the current financial year.

It would be unrealistic to assume that the Guarantor's future prospects will not be affected by the current economic climate in which volumes have declined and sentiment has made it difficult to bring any ECM transactions to the market. Accordingly, the Guarantor is adamant about adhering to cost cutting measures and continues to be vigilant on third party risk and the use of the balance sheet. The Guarantor pursues only limited principal and proprietary trading activities, within a well governed risk management framework.

Net Turnover

The total net revenue for the Guarantor for 2009 was EGP 2.2 billion.

Dividend

The following cash dividends per common share of the Guarantor were paid for the last four fiscal years to 30 June 2010:

Fiscal Year	Dividend per common share
2010*	EGP 2.00
2009	EGP 1.00
2008	EGP 0.50
2007	EGP 1.00

*March 2010

Subsidiaries

List of subsidiaries (including indirectly owned subsidiaries) of the Guarantor at 31 December 2008:

Name	Address	Principal Activity
Financial Brokerage Group	Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt	Undertaking Securities Brokerage, and maintaining and managing the records of clients' securities.
Egyptian Fund Management Group	Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt	Managing investment funds.
Egyptian Portfolio Management Group	Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt	Managing, and the composition of, securities portfolios for clients.
Hermes Securities Brokerage	Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt	Securities Brokerage and extending margin to clients.
Hermes Fund Management	Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt	Managing investment funds and company management.
EFG-Hermes Advisory Inc.	CITCO Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	No specified principal activities, however, it may not engage in any act or activity prohibited under any law for the time being in force in the British Virgin Islands.

Name	Address	Principal Activity
EFG-Hermes Financial Management (Egypt) Ltd.	International Corporate Management of Bermuda Limited, Bermuda Commercial Bank Building, 19 Par-la-ville Road, Hamilton, HM11, Bermuda	Managing mutual funds and portfolios.
Bayonne Enterprises Ltd.	CITCO Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	No specified principal activities, however, it may not engage in any act or activity prohibited under any law for the time being in force in the British Virgin Islands.
EFG-Hermes Private Equity (Egypt)	Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt	(a) Providing consultancy in all areas of financial, technical, economic, administrative and regulatory, marketing, engineering, investing and asset evaluation studies and projects, companies and the administration work. (b) Trading, marketing, promoting and distributing all requirements of production, machinery and equipment, intermediate goods, consumer goods and capital assets. (c) Purchasing and selling real estate and land.
EFG-Hermes Private Equity (BVI)	P.O. Box 34443, Road Town, Tortola, British Virgin Islands	Managing funds and investment portfolios.
EFG-Hermes Brokerage – UAE LLC	Level 11, Emirates Towers, Sheikh Zayed Road, Dubai, UAE	Acting as an intermediary in dealings in stocks and shares which are listed on the Dubai financial market (DFM) and the Abu Dhabi Exchange (ADX).
EFG-Hermes UAE Limited	The Gate, West Wing, Level 6, Dubai International Finance Centre, P.O. Box 30727 Dubai, UAE	Asset management, investment banking and financial advisory, and acting as a trading and clearing member in NASDAQ Dubai Limited.
EFG-Hermes Fixed Income	Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt	(a) Handling, mediation of, and brokering in the sale of bonds.

Name	Address	Principal Activity
		(b) Purchasing securities (on behalf of the company or for its customers) and instruments of finance, treasury bills and other similar securities.
EFG-Hermes Promoting and Underwriting	Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt	Underwriting of stocks before an IPO.
Hermes Corporate Finance	Building No. B129, Phase 3, Smart Village, Km 28 Cairo Alexandria Desert Road, 6 October 12577, Egypt	Promoting and underwriting the subscription of securities.
Flemming CIIC Holdings	9 Mohamed Fahmy Street, Garden City, Cairo, Egypt	Establishing shareholding companies.
Flemming Mansour Securities	9 Mohamed Fahmy Street, Garden City, Cairo, Egypt	Brokerage of securities and record-keeping of securities.
Flemming CIIC Securities	9 Mohamed Fahmy Street, Garden City, Cairo, Egypt	Securities Brokerage.
Flemming Corporate Finance	9 Mohamed Fahmy Street, Garden City, Cairo, Egypt	Promoting subscription to stocks.
Mena Opportunities Management Limited	Queenstage House, South Church Street, George Town, Grand Cayman, Cayman Islands	(a) The company has been appointed as investment manager of the Master Fund. (b) The company is also the investment manager of the Middle East North Africa Opportunities Fund Limited.
EFG-Hermes Mena (Cayman) Holding	Queenstage House, South Church Street, George Town, Grand Cayman, Cayman Islands	No specified principal activities, however, it may not engage in any act or activity prohibited by the companies law or any other law of the Cayman Islands.
Mena (BVI) Holding Limited	British Virgin Islands	Conducting investment activities in all forms of securities and other financial instruments of United States and non-United States issuers.
Mena Financial Investments W.L.L	1402, Building 95, Road 1702, Block 317 Manama, Bahrain	Selling and buying shares and securities for the Company only.

Name	Address	Principal Activity
EFG-Hermes KSA	Kingdom Tower – 54th Floor, Olaya Street, P.O. Box 300189, Riyadh 11372, Kingdom of Saudi Arabia	<p>(a) Dealing as principal or agent and underwriting.</p> <p>(b) Managing for the purpose of establishing and managing investment funds and for the purpose of managing portfolios.</p> <p>(c) Arranging.</p> <p>(d) Advising.</p> <p>(e) Custody for the purpose of the procedures and administrative arrangements relating to investment funds and managing portfolios and international equity brokerage.</p>
EFG-Hermes Qatar LLC	7th Floor, Al-Fardan Office Towers, West Bay, P.O. Box 24972, Doha, Qatar	Arranging deals in investments, managing investments, and advising on investments.
EFG-Hermes Holding – Lebanon	Mina El Hosn, Block 47, 2nd Floor, Beirut, Lebanon	<p>(a) Owning shares in companies or partnerships, (whether Lebanese or foreign).</p> <p>(b) Participating in the founding and management of certain companies.</p> <p>(c) Participating in corporate lending, with respect to certain companies.</p> <p>(d) Holding rights in patents and discoveries, privileges and trademarks.</p>
EFG-Hermes Lebanon	Mina El Hosn, Block 47, 2nd floor, Beirut, Lebanon	Carrying out any kind of lending either from the company's own funds, or through the issuance of debt securities and credit operations, and financial intermediation.

Name	Address	Principal Activity
October Property Development Limited Co.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	No specified principal activities, however, it may not engage in any act or activity prohibited under any law for the time being in force in British Virgin Islands.
EFG-Hermes Mena Securities Limited	Kingston Chambers, P.O. Box 173, Road Town, Tortola, British Virgin Islands	No specified principal activities, however, it may engage in any activity not prohibited under any law for the time being in force in the British Virgin Islands.
EFG-Hermes Regional Investment Ltd.	PO Box 309, Ugland House Grand Cayman KYI - 1104 Cayman Islands	No specified principal activities, however, it may not engage in any act or activity prohibited by the companies law or any other law of the Cayman Islands.
EFG-Hermes Vision Securities Co. LLC.	3rd Floor, Al Hormouz Building, Way No 3109, Sultan Quaboos Street, Ruwi, Sultanate of Oman.	Securities Brokerage
EFG-Hermes IFA Financial Brokerage Company	4th Floor, P.O. Box 22695, 13087 Kuwait.	Acting as a Broker for short and long term Equity Investments, and investing in portfolios managed by others.
Offset Holding KSC	4th Floor, P.O. Box 22695, 13087 Kuwait	<p>(a) Holding shares of shareholding companies and other similar entities (Kuwaiti or non Kuwaiti) and participating in establishing and managing these companies.</p> <p>(b) Guaranteeing or lending to these companies.</p> <p>(c) Acquiring Industrial Proprietary rights including patents, industrial trade marks, or any related rights, leasing these rights to other companies, and using them inside or outside the State of Kuwait.</p> <p>(d) Acquiring all tangible and intangible assets that allow the company to carry out the above activities.</p> <p>(e) investing surplus funds in portfolios or funds managed by specialised entities.</p>

Information about EFG-Hermes Holding S.A.E.

Name	Address	Principal Activity
		(f) performing brokerage related activities.]
EFG-Hermes Securitization	58 El Tahir Street, Dokki, Giza, 12311 Egypt	Securitization financial activity
IDEAVELOPERS	29 Cairo Desert Road, Smart Village, Egypt	IDEAVELOPERS manages and advises technology-driven funds, Technology investments of the Commercial Intl Investment Co (CIIC), provides quality venture development services, include offering early stage, high growth companies access to business development services, such as strategic marketing research, financial advisory services, and management consulting services.
Arabian Visual Company	29 Ahmed Orabi Street, Dokki, Giza,	Production, processing, imaging, distribution, printing, and marketing of Movies and Advertising material
AAW Company for Infrastructure	37 Babel Street, Dokki, Giza, Egypt	Water supply and treatment Wastewater collection and treatment Storm water drainage Highways and Roads Energy Institutional support

SELECTED CONSOLIDATED FINANCIAL INFORMATION RELATING TO EFG-HERMES HOLDING S.A.E.

The following tables set out in summary form balance sheet, income statement and cash flow information relating to the Guarantor. Such information is derived from the consolidated audited financial statements of the Guarantor as at and for the year ended 31 December 2008 and 31 December 2009, and the reviewed interim consolidated financial statements of the Guarantor for the six-month period ending 30 June 2010 and 30 June 2009. The consolidated financial statements as at and for the years ended 31 December 2009 and 31 December 2008 were prepared by the management in accordance with International Financial Reporting Standards ("IFRS") and audited by the auditors, KPMG Hazem Hassan, in accordance with International Standards on Auditing (ISA). The interim financial statements for the six-month period ended 30 June 2009 and 30 June 2010 were prepared by the management in accordance with International Financial Reporting Standards, IAS 34 : KPMG Hazem Hassan has conducted a review in accordance with International Standards on a review Engagements 2410, "Review of Interim Financial Information Performed by the independent Auditor of the Entity."S. The tables should be read in conjunction with the audited or reviewed financial statements (as applicable), the auditors' report or the auditors' review, (as applicable), and the accompanying notes thereto, which are incorporated by reference into this Base Prospectus. The auditors have not resigned and were not removed during the period covered by the financial statements.

Balance Sheets

Balance sheets for the consolidated group as at 31 December 2009 and as at 31 December 2008

BALANCE SHEET	As at 31 December 2009	As at 31 December 2008
	EGP	EGP
ASSETS		
Total current assets	3,667,252,220	4,185,719,762
Total non-current assets	<u>7,353,030,828</u>	<u>6,232,962,419</u>
Total assets	<u><u>11,020,283,048</u></u>	<u><u>10,418,682,181</u></u>
LIABILITIES		
Total current liabilities	1,448,709,186	1,583,348,184
Total non-current liabilities	<u>657,826,968</u>	<u>699,222,717</u>
Total Liabilities	<u><u>2,106,536,154</u></u>	<u><u>2,282,570,901</u></u>
SHAREHOLDERS' EQUITY		
Total equity attributable to equity holders of the Company	8,707,671,285	7,922,343,656
Minority interest	<u>206,075,609</u>	<u>213,767,624</u>
Total equity	<u><u>8,913,746,894</u></u>	<u><u>8,136,111,280</u></u>
Total equity and liabilities	<u><u>11,020,283,048</u></u>	<u><u>10,418,682,181</u></u>

Selected Consolidated Financial Information relating to EFG-Hermes Holding S.A.E.

Balance sheets for the consolidated group as at 30 June 2010 and as at 30 June 2009

BALANCE SHEET	As at 30 June 2010	As at 30 June 2009
	EGP	EGP
ASSETS		
Total current assets	8,177,144,484	4,020,893,210
Total non-current assets	<u>2,744,025,189</u>	<u>6,361,376,952</u>
Total assets	<u>10,921,169,673</u>	<u>10,382,270,162</u>
LIABILITIES		
Total current liabilities	2,341,177,812	1,309,388,296
Total non-current liabilities	<u>674,375,362</u>	<u>699,603,804</u>
Total liabilities	<u>3,015,553,174</u>	<u>2,008,992,100</u>
EQUITY		
Total equity attributable to equity holders of the Company	7,721,276,196	8,183,823,559
Non-controlling interests	<u>184,340,303</u>	<u>189,454,503</u>
Total equity	<u>7,905,616,499</u>	<u>8,373,278,062</u>
TOTAL EQUITY AND LIABILITIES	<u>10,921,169,673</u>	<u>10,382,270,162</u>

Income Statements

Income statements for the consolidated group for the years ended 31 December 2009 and 31 December 2008

REVENUES	For the year ended 31 December 2009	For the year ended 31 December 2008
	EGP	EGP
Revenues, net of interest expense	1,419,082,679	2,155,162,891
Total non-interest expenses	<u>(829,761,513)</u>	<u>(1,110,263,975)</u>
Pre-tax earnings from continuing operations	589,321,166	1,044,898,916
Income tax expenses	<u>(19,611,394)</u>	<u>(80,031,939)</u>
Profit for the year	<u>569,709,772</u>	<u>964,866,977</u>
Earnings per share	<u>1.37</u>	<u>2.36</u>

Selected Consolidated Financial Information relating to EFG-Hermes Holding S.A.E.

Income statements for the consolidated group for the six-month periods ending 30 June 2010 and 30 June 2009

INCOME STATEMENT	Period from 1	Period from 1
	January 2010 to 30	January 2009 to 30
	June 2010	June 2009
	EGP	EGP
Revenues, net of interest expense	1,490,506,067	724,398,934
Total non-interest expenses	<u>(609,265,967)</u>	<u>(350,953,151)</u>
Pre-tax earnings from continuing operations	881,240,100	373,445,783
Income tax expense	<u>(290,800,879)</u>	<u>(34,924,998)</u>
Net profit for the period	<u>590,439,221</u>	<u>338,520,785</u>
Earnings per share	<u>1.50</u>	<u>0.83</u>

Cash Flow Statements

Statements of Cash Flows for the consolidated group for the years ended 31 December 2009 and 31 December 2008

CASH FLOWS	As at 31 December	As at 31 December
	2009	2008
	EGP	EGP
Net cash from operating activities	(415,366,654)	1,594,961,896
Net cash used in investing activities	177,260,973	(2,159,700,965)
Net cash (used in) from financing activities	(43,621,698)	(1,028,952,118)
Cash and cash equivalents at 1 January	<u>1,893,461,203</u>	<u>3,484,204,672</u>
Cash and cash equivalents at 31 December	<u>1,611,733,824</u>	<u>1,891,078,295</u>

Selected Consolidated Financial Information relating to EFG-Hermes Holding S.A.E.

Statements of Cash Flows for the consolidated group for the six-month periods ended 30 June 2010 and 30 June 2009

CASH FLOWS	Period from 1	Period from 1
	January 2010 to 30	January 2009 to 30
	June 2010	June 2009
	EGP	EGP
Net Cash (used in) provided from operating activities	200,636,925	(217,677,372)
Net cash used in investing activities	3,227,851,993	(22,301,828)
Net cash used in financing activities	(461,399,029)	(7,029,439)
Cash and cash equivalents at 1 January	<u>1,611,733,824</u>	<u>1,891,078,295</u>
Cash and cash equivalents at the end of the period	<u><u>4,578,823,713</u></u>	<u><u>1,644,069,656</u></u>

TAXATION

The following summary of certain tax issues that may arise as a result of holding Notes is intended only as general information for holders of Notes. It is recommended that prospective applicants for Notes consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of holding Notes, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules which may be applicable.

All payments in respect of the Notes by or on behalf of the Issuer will be subject to any applicable withholding taxes of the British Virgin Islands. However, as at the date hereof, no such taxes would be applicable.

1. **General**

The following summary of the anticipated tax treatment in certain jurisdictions does not constitute legal or tax advice and is based on the taxation law and practice in force at the date of this document. The summary applies only to persons holding Notes as an investment.

This summary does not consider all aspects of taxation which may be relevant to a particular Noteholder in the light of their particular circumstances (for example, tax consequences in the Noteholder's jurisdiction of residence). Potential investors should consult their own advisers on the taxation and exchange controls implications of their acquiring, holding or disposing of the Notes under the laws of any jurisdictions in which they are or may be liable to taxation.

While this summary is considered to be a correct interpretation of existing laws and practice in force on the date of this document, no assurance can be given that courts or other authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws or practice will not occur.

2. **The British Virgin Islands**

2.1 All payments made by the Company to persons who are not resident in the BVI, and capital gains realised with respect to any shares in the Company by persons who are not resident in the BVI are exempt from all provisions of the BVI Income Tax Ordinance.

2.2 No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not resident in the BVI with respect to any shares in the Company.

2.3 Subject to the payment of stamp duty on the acquisition of property in the BVI by the Company (or a transfer of shares in the Company while it owns property in the BVI):

- (a) all instruments relating to transfers of property to or by the Company;
- (b) all instruments relating to transactions in respect of shares of the Company; and
- (c) all instruments relating to the other transactions relating to the business of the Company,

are exempt from the payment of stamp duty under the BVI Stamp Act.

3. **United States Federal Income Taxation**

The following is a summary based on present law of certain US federal income tax considerations for prospective investors in the Notes. It addresses only investors that buy in the original offering at the original offering price and hold the Notes as capital assets. The discussion is a general summary. It is not a substitute for tax advice. The discussion does not consider the circumstances of particular investors, some of which (such as banks, insurance companies, dealers, tax exempt organizations or persons holding the Notes as part of a hedge, straddle, conversion, integrated or constructive sale transaction) are subject to special tax regimes. It also does not address investors that buy Notes, in an additional issuance or otherwise, after the Issue Date. Further, this discussion applies only to Notes that: (i) have terms substantially similar to the Terms and Conditions of the Notes as set forth hereinabove—including (a) paying no fixed interest, (b) paying Additional Amounts equal to all or a

fixed percentage on the dividends paid on the Reference Shares (subject to adjustment for embedded fees and costs), and (c) having a redemption amount that tracks the changes in value of the Reference Shares; and (ii) are issued in registered form for US federal income tax purposes. In the event that any of these assumptions is not true in any particular case, different or additional consequences may arise.

3.1 In General

To ensure compliance with US Treasury regulations, we advise you that any tax discussion herein was not written, and cannot be used, by any person for the purpose of avoiding US federal income tax penalties that may be imposed on the taxpayer. Any such tax discussion was written to support the promotion or marketing of the Notes. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The summary of US federal income tax consequences set out below is for general information only. Potential purchasers are urged to consult their tax advisers as to the particular tax consequences to them of acquiring, owning and disposing of the notes, the applicability and effect of state, local, foreign and other tax laws, and possible changes in tax law.

This summary deals only with purchasers of Notes issued pursuant to Rule 144A that are US Holders (as defined below), that acquire their Notes in their initial offering at the initial offering price, and that will hold the Notes as capital assets. The discussion does not cover all aspects of US federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not discuss all of the tax considerations that may be relevant to certain classes of investors subject to special treatment under the US federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax deferred accounts, tax-exempt organizations, dealers in securities, commodities or currencies, investors that will hold Notes as part of straddles, hedging transactions or conversion transactions for US federal income tax purposes or investors whose functional currency is not the US dollar). This summary also does not address the considerations that may be applicable to holders of equity or other interests in an owner of a Note.

As used herein the term US Holder (the "**US Holder**") means a beneficial owner of Notes that is: (i) a citizen or resident of the United States for US federal income tax purposes, (ii) a corporation, or other entity treated as a corporation, created or organized under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to US federal income tax without regard to its source, or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for US federal income tax purposes.

The US federal income tax treatment of a partner in a partnership (or equity holder in any other pass-through entity) that holds Notes will depend on the status of the partner (equity holder) and the activities of the partnership (pass-through entity). Potential purchasers that are partnerships (pass-through entities) should consult their tax advisors concerning the US federal income tax consequences to their partners (equity holders) of their acquisition, ownership and disposition of Notes.

As further discussed below, the characterization of the Notes for US federal income tax purposes is unclear. US Holders should be aware, however, that income on the Notes, including all gain on the sale or other taxable disposition of a Note will likely be ordinary income and it is possible that a US Holder of a Note will be treated as earning income at a rate faster than the rate at which Additional Amounts are made on the Notes. FURTHER, UNDER SOME POSSIBLE CHARACTERIZATIONS OF THE NOTES, A HOLDER OF A NOTE THAT IS NOT A CORPORATION MAY RECOGNIZE IN ANY YEAR "PHANTOM INCOME" (INCOME THAT DOES NOT RELATE TO ANY CASH DISTRIBUTIONS IT RECEIVES) THAT IS NOT OFFSET BY TAXABLE LOSSES IN A LATER YEAR. THUS, PROSPECTIVE PURCHASERS OF THE NOTES THAT ARE NOT CORPORATIONS ARE URGED TO CONSULT WITH

THEIR OWN TAX ADVISORS REGARDING THE CHARACTERIZATION OF THE NOTES AND WHETHER THE NOTES ARE A SUITABLE INVESTMENT FOR THEM.

3.2 **Tax Treatment of the Issuer**

- (a) *United States Federal Income Tax:* The Code and the Treasury regulations promulgated thereunder provide a specific exemption from net income-based US federal income tax to non-US corporations that restrict their activities in the United States to trading in stocks and securities (and any other activity closely related thereto) for their own account, whether such trading (or such other activity) is conducted by the corporation or its employees or through a resident broker, commission agent, custodian or other agent. This particular exemption does not apply to non-US corporations that are engaged in activities in the United States other than trading in stocks and securities (and any other activity closely related thereto) for their own account or that are dealers (anywhere in the world) in stocks and securities. The Issuer intends to rely on the above-exemption and does not believe it will be treated, for US federal income tax purposes, as a dealer (including, without limitation, a dealer in derivatives (such as the Hedging positions it will enter into on the relevant Shares). If, however, it was determined to be a dealer in such Hedging Positions (or other securities), it would be ineligible to rely on the above exemption and, thus, may be treated as engaged in a US trade or business.

As indicated above, the Issuer intends to rely on the above exemption and does not intend to operate so as to be subject to US federal income taxes on its net income. Further, although no activity closely comparable to that contemplated by the Issuer has been the subject of any Treasury regulation, administrative ruling or judicial decision, under current law and assuming compliance with the Issuer's relevant governing documents, the Agency Agreement and other related documents, the Issuer believes that its permitted activities will not cause it to be engaged in a trade or business in the United States. Consequently, the Issuer believes that its profits will not be subject to US federal income tax on a net income basis. However, if the IRS were to successfully assert that the Issuer were engaged in a United States trade or business and the Issuer had taxable income that was effectively connected with such US trade or business, the Issuer would be subject under the Code to the regular US corporate income tax on such effectively connected taxable income (and possibly to the 30 per cent. branch profits tax as well). It is also possible that if the Issuer failed to file a US tax return (because, for example, it believed that it was not engaged in a US trade or business), it would be unable to offset its effectively connected income with its ordinary and necessary expenses. In any event, the imposition of such taxes would materially affect the Issuer's financial ability to make payments with respect to the Notes and could materially affect the yield of the Notes.

Legislation previously proposed in the United States Senate would, for tax years beginning at least two years after its enactment, tax a corporation as a US corporation if the equity of that corporation is regularly traded on an established securities market and the management and control of the corporation occurs primarily within the United States. It is unknown whether this proposal will be enacted in its current form and, whether if enacted, the Issuer would be subject to its provisions. However, upon enactment of this or similar legislation, the Issuer will be permitted, with an opinion of counsel, to take such action as it deems advisable to prevent the Issuer from being subject to such legislation. These actions could include removing some Series of Notes from listing on a stock exchange.

Generally, foreign currency gains are sourced to the residence of the recipient. Thus, foreign currency gains of a non-US corporation are generally treated as foreign source income. However, if a non-United States corporation has a principal place of business in the United States (the "US business"), generally any foreign currency gain properly reflected as income of the US business is treated as US source income. A non-US corporation could be considered to have a US business for this purpose even if it does not have any income effectively connected to a United States trade or business for purposes of being subject to US taxation on its net income. In addition, any foreign currency gains connected with a US trade or business would be sourced in the United States. Any US source foreign currency gains that are not derived from the sale of property are subject to US withholding tax. The Issuer intends to take the position that none of its foreign currency gains will be subject to US withholding tax.

However, the application of these rules is unclear and the activities of the Issuer could cause it to have foreign currency gains subject to US withholding tax.

- (b) *United States Withholding Taxes:* Although the Issuer is not expected to be subject to US federal income tax on a net income basis, income derived by the Issuer may be subject to withholding taxes imposed by the United States or other countries. Generally, US source interest income received by a foreign corporation not engaged in a trade or business within the United States is subject to US withholding tax at the rate of 30 per cent. of the amount thereof. However, the Code provides an exemption (the "**portfolio interest exemption**") from such withholding tax for interest paid with respect to certain debt obligations issued after 18 July 1984, unless the interest constitutes a certain type of contingent interest or is paid to a ten per cent. shareholder of the payor, to a controlled foreign corporation related to the payor, or to a bank with respect to a loan entered into in the ordinary course of its business. The Issuer expects that withholding its US source interest will qualify for the portfolio interest exemption and, thus, that it will not be subject to US withholding tax on such income. However, there can be no assurance that income derived by the Issuer will not generally become subject to US withholding tax as a result of a change in US tax law or administrative practice, procedure, or interpretations thereof.
- (c) *New US Tax legislation—Considerations for both US and Non-US holders:* A recently enacted US tax law (the "**New U.S. Tax Law**") could impose withholding taxes on certain payments made to the Issuer on its assets and certain payments made by the Issuer on the Notes. The New US Tax Law is particularly complex, and subject to further guidance and interpretive releases from the US Department of the Treasury and the United States Internal Revenue Service (the "**IRS**"), and is dependent on the particular factual circumstances of the Issuer, the Notes and, potentially, the holder of the Notes. Broadly, however, the New US Tax Law may require, on or after 1 January 2013, a payor to the Issuer of "US source interest," "US source dividends," or "other US source periodic income" (and of proceeds from the sale of assets that produce US source interest or US source dividends) (together, "**US Source Income**") to withhold 30 per cent. from such payments unless the Issuer (and certain intermediaries) meets certain reporting requirements regarding its direct and indirect US Holders. As the Issuer may, from time to time, hold assets that give rise to US Source Income, it is anticipated that the Issuer will seek to comply with such reporting requirements.

In complying with the new reporting requirements, the Issuer anticipates that it will enter into an agreement with the IRS (an "**IRS Agreement**") under which it will be required to, among other things, (i) provide certain information to the IRS about its direct and indirect US Holders and (ii) agree to withhold (or cause to be withheld) 30 per cent. of certain payments made to any "Recalcitrant Holders" (as described below) that are indirectly receiving US Source Income.

In relation to item (i) above, the Issuer will require each (i) Non-US Holder of a Note to provide satisfactory documentation (to be determined) that it is not a US Person and (ii) US Holder of a Note to provide its name, address and taxpayer identification number. If a holder of Note is a foreign entity or otherwise not the beneficial owner of the Securities, such holder generally will be required to provide certain information about its owners (or beneficial owners) in order to enable the Issuer to identify and report on certain of such holder's direct and indirect US beneficial owners.

In relation to item (ii) above, the Issuer understands that even if there is no direct linkage between the payments on the Notes and any US Source Income received by the Issuer, the IRS may require, pursuant to the IRS Agreement, that there be a withholding in relation to payments on the Notes in an amount equal to 30 per cent. of the Recalcitrant Holders' pro rata share of any US Source income payable to such Non-US Issuer. In addition, a Recalcitrant Holder may be subject to the redemption of its Notes as described in Condition 2(h) (*New US Tax legislation – Application to both US and Non US Holders*) in the "**Terms and Conditions**".

A "**Recalcitrant Holder**" generally is a holder of a Note that fails to comply with reasonable requests for information that will help enable the Issuer to comply with its reporting requirements described immediately above. In addition, in complying with the US reporting

requirements under the New US Tax Law, it may be necessary for the Issuer to agree in the IRS Agreement to "close out" any holder that fails to respond to its reasonable requests for information that will help enable the Issuer to comply with such US reporting requirements. In the event the Issuer does "close out" any holder's interest, it may do so by causing the sale to a third party or the early redemption of such Notes. Any sale or redemption will be at the *Early Payment Amount* (an amount determined by the Issuer that is not less than the net proceeds the Issuer believes it could receive for such Note by selling it (or an identical Note and using the proceeds to retire the Recalcitrant Holder's Note) from an investor that is willing and able to comply with the information reporting requirements imposed by the Issuer.

At this time, the application of the new withholding tax and the New US Tax Law generally to the Issuer is uncertain. Due to the uncertainties, it is not clear what actions, if any, will be required to minimize the impact of the New US Tax Law on the Issuer and the holders of Notes. No assurance can be given that the Issuer will be able to take all necessary actions or that actions taken will be successful to minimize the new withholding tax. Further, the efficacy of the Issuer's actions might not be within the control of the Issuer. The New US Tax Law is particularly complex and its application to the Issuer is uncertain at this time. Each potential investor in the Notes should consult its own tax advisor to obtain a more detailed explanation of the New US Tax Law and to learn how it might affect such investor in its particular circumstance.

3.3 Tax Treatment of US Holders

- (a) *Characterization of the Notes:* The Notes are complex derivative securities. There is limited authority directly applicable to such securities and the Issuer is not aware of any authority that directly addresses securities with terms substantially similar to those of the Notes. The proper characterization for federal income tax purposes and thus the consequences of acquiring, holding, and disposing of them, is unclear. Although the Notes are issued in the form of contingent payment debt instruments ("CPDIs") the Issuer currently expects to treat the Notes, for US federal income tax purposes, as equity in the Issuer. Other possible characterizations of the Notes include as ownership interests in the Hedge Position or an equity interest in a partnership that holds an ownership interest in the Hedge Position, consistent with their form, as CPDIs or, as prepaid, cash-settled forward contracts. Certain of the consequences of acquiring, holding, and disposing of the Notes under each of these characterizations are discussed below.

The Conditions provide that the Issuer will, and by acceptance of its interest in a Note, each US Holder is deemed to agree to, treat the Notes as equity interests in the Issuer for all US federal income tax purposes unless the Internal Revenue Service ("IRS") determines that such treatment is not permissible.

The Issuer has not and will not request a ruling from the IRS or an opinion of counsel regarding the proper characterization of the Notes for US federal income tax purposes. The Issuer makes no representation as to which characterization of the Notes will be accepted by IRS or the courts. Each prospective investor is urged to consult its own tax advisor about the timing, character, and source of income it will recognize, and other consequences to it, of acquiring, owning and disposing of Notes.

- (b) *Notes Treated as Equity Interest in the Issuer:* Because, among other reasons, the Notes have little principal protection, it is possible that they will be characterized as an equity interest in the Issuer (or possibly the guarantor) for US federal income tax purposes. As noted above, the Issuer currently expects to treat the Notes, for US federal income tax purposes as equity interests in the Issuer for all US federal income tax purposes.

It is likely that the Issuer will be a "passive foreign investment company" or "PFIC" for US federal income tax purposes and the balance of this discussion assumes that it will be so treated.

In general terms, under the rules applicable for PFICs, absent a "qualified electing fund" or "QEF" election, a US Holder will be subject to a special tax on any "excess distribution" which is defined to include: (i) distributions on a Note received during a taxable year to the

extent they exceed 25 per cent. of the average annual distributions received by the US Holder on such Note during the three preceding taxable years (or, if shorter, the taxpayer's holding period prior to the taxable year) and (ii) any gain on the sale of the Note. The tax is calculated by spreading the excess distribution ratably over the US Holder's entire holding period. The portion of the excess distribution attributable to the current year is treated as ordinary income for the year. The tax attributable to prior years is calculated by multiplying the excess distribution allocated to each such prior year by the highest rate of tax in effect for such year for the category of taxpayer (without regard to the taxpayer's actual income for the year) and then adding an interest charge at the rate applicable to overdue tax payments. In effect, the tax is determined by treating the US Holder as: (1) having recognized income equal to the excess distribution ratably over its holding period (regardless of the actual timing of the income), (2) with respect to prior years, being in the highest tax rate bracket for the applicable year, and (3) having paid the tax on prior years' amounts after the tax was due (and, thus, being required to pay an interest charge on amounts allocated to prior years).

The tax consequences described in the immediately preceding paragraph do not apply if the US Holder makes an irrevocable QEF election (applicable for each year it holds its Note). If a US Holder makes a QEF election, in lieu of being subject to the excess distributions rules described above, the US Holder will be required to include in income its pro rata share of the Issuer's ordinary income and net capital gains (the excess of net long-term capital gains over net short-term losses) for each taxable year of the Issuer, as ordinary income and long-term capital gain respectively. Those amounts are includible in the US Holder's income whether or not distributed. Losses incurred by the Issuer do not flow through to the US Holder, and current-year income is not reduced by prior years' losses. In order to avoid double taxation of income, the QEF rules provide that if the Issuer later distributes income on which a US Holder has already paid taxes in accordance with a QEF election, the distribution is not treated as a dividend (i.e. the distribution is treated as a return of capital to the extent of the US Holder's basis). A US Holder's tax basis in its stock will be increased by amounts included in income and decreased by the amount of non-taxable distributions.

An electing US Holder's pro rata share of ordinary income and net capital gains is generally determined by allocating income equally to each day in the Issuer's taxable year and determining the amount which would have been distributed in respect to the US Holder's Notes if, on each day during the taxable year, the Issuer had distributed to each holder a pro rata share of that day's ratable share. Where, as in the instant case, more than one class of securities is treated as an equity interest in the Issuer, the Issuer intends to allocate to each equity class distributions the holders of such equity class would have received if the Issuer had distributed all of its earnings currently. The PFIC rules do not alter the character of gain recognized by a US Holder upon the disposition of stock in a PFIC that has been a QEF for the US Holder's entire holding period but, as described below, the allocation of the Issuer's income will effectively cause all gain (but not loss) to be treated as ordinary income.

In general, a QEF election with respect to any taxable year of the taxpayer must be made on or before the due date (with extensions) for filing a US federal income tax return for such year. A holder makes a QEF election by completing Form 8621 reporting its pro rata share of the Issuer's ordinary earnings and net capital gains and attaching it to its tax return. The form must also be completed for each future year to which the election applies. In order to permit these forms to be completed, the Issuer will provide holders that make a QEF election certain information.

As discussed above, a US Holder of a Note that makes a QEF election is required to include in income its share of the Issuer's ordinary income and net capital gains. The Issuer's sole asset allocable to the holders of the Notes is likely to be a prepaid total return swap, the timing and character of income of which is unclear. Thus, the character and timing of income allocated to the holders of Notes making a QEF election is not clear. It is the Issuer's current intention to allocate to the holders of the Notes as ordinary income (i) for each taxable year, an amount equal to the Additional Amounts and (ii) in the year of redemption, an amount equal to the excess (if any) of the amount paid upon retirement of the Note over its par amount. Prospective investors should be aware that treatment of the excess of the retirement amount over par as ordinary income will disadvantage US Holders who acquire their Notes at a price greater than par and may limit the marketability of the Notes after issuance. The Issuer

currently intends to treat income on the underlying Hedge Positions as accruing at a rate fast enough to allocate income as described above. Investors should be aware that in light of the uncertainty of timing (and character) of income accruing on a prepaid total return swap and certain other financial products it is possible that Issuer will not earn sufficient income in each period to allocate income as describe above and the timing of income allocable to holders may differ.

There is a great deal of uncertainty about how income accrues on a prepaid equity swap such as the underlying Hedge Position is likely to be and the allocation of income among different classes of securities treated as equity. It is also possible that the Issuer may be required to mark to market its interest in the Hedge Position. Thus, there can be no assurance that the allocation of income described herein will be respected by the IRS or the courts. In addition, certain proposed regulations and proposed legislative changes could require the holder of a prepaid total return swap (such as the Issuer) to accrue income at a specified minimum interest rate. If any of such proposals were to become effective, they would likely accelerate the income of the Issuer and may accelerate income of US Holders that make QEF elections.

Each prospective investor is urged to consult its own tax advisor regarding whether to make a QEF election in respect of the Notes.

- (c) *Possible Characterization of Notes as Indebtedness and as CPDIs:* If, notwithstanding the agreed upon treatment of the Notes as equity interests in the Issuer, the Notes were characterized, consistent with their form, as indebtedness, the Notes would be CPDIs. Under the rules for CPDIs, interest on a CPDI will be treated as original issue discount ("**OID**") and must be accrued on a constant-yield basis (as described further below) based on a yield to maturity that reflects the rate at which the Issuer would issue a comparable fixed-rate non-exchangeable instrument (the "**comparable yield**") in accordance with a projected payment schedule.

The projected payment schedule must include each non-contingent payment on the CPDI and an estimated amount for each contingent payment, and must produce the comparable yield. Interest inclusions will be adjusted upward and downward to reflect the difference, if any, between the actual payments received and the projected amount of such payments on the CPDI under the projected payment schedule. If, contrary to the Issuer's expectations, the Notes are treated as CPDIs, the Issuer will be required to provide to the holders a schedule of the projected amounts of payments on the CPDIs, which projected amounts will be used solely for US federal income tax purposes. This schedule must produce the comparable yield.

The comparable yield and projected payment schedule will not be determined for any purpose other than for the determination of interest accruals and adjustments thereof in respect of CPDIs for United States federal income tax purposes and will not constitute a projection or representation regarding the actual amounts payable to the holders of the Notes.

The use of the comparable yield and the calculation of the projected payment schedule will be based upon a number of assumptions and estimates and will not be a prediction, representation or guarantee of the actual amounts of interest that may be paid to a US Holder or the actual yield of the CPDIs. A US Holder will generally be bound by the comparable yield and the projected payment schedule determined by the Issuer unless the US Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS, and explains to the IRS the reason for preparing its own schedule. The Issuer's determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used in determining interest inclusions.

A US Holder of a CPDI will generally be required to include OID in income before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the CPDIs. The amount of OID that is included in income of a US Holder is the sum of the daily portions of OID with respect to the CPDI for each day during the taxable year or portion of the taxable year in which the US Holder holds the CPDI ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods

with respect to a CPDI may be of any length selected by the US Holder and may vary in length over the term of the CPDI as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the CPDI occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the product of the CPDI's adjusted issue price at the beginning of the accrual period and the CPDI's comparable yield (properly adjusted for the length of the accrual period). For these purposes, the "adjusted issue price" of a CPDI at the beginning of any accrual period is the issue price of the CPDI increased by the amount of accrued OID for each prior accrual period, and decreased by the projected amount of any payments made on the CPDI. No additional income will be recognized upon the receipt of payments of stated interest in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the US Holder on the CPDI's in a taxable year and the projected amount of those payments will be accounted for as additional interest (in the case of a positive adjustment) or as an offset to interest income in respect of the CPDI (in the case of a negative adjustment) for the taxable year in which the actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the CPDI for that year, the excess will be treated as an ordinary loss to the extent the US Holder's total interest inclusions on the CPDI exceed the total amount of any ordinary loss in respect of the CPDI claimed by the US Holder under this rule in prior taxable years. Any negative adjustment that is not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year, and is taken into account in determining whether the US Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the CPDI is sold, exchanged or retired, to the extent not applied to OID accrued for such year, reduces the US Holder's amount realized on the sale, exchange or retirement.

If a US Holder purchases a Note that is treated as a CPDI for an amount that differs from the CPDI's adjusted issue price at the time of the purchase, the US Holder must determine the extent to which the difference between the price it paid for the CPDI and the adjusted issue price of the CPDI is attributable to a change in expectations as to the projected payment schedule, a change in interest rates, or both, and reasonably allocate the difference accordingly. A safe-harbor may apply to permit the allocation of this difference pro-rata to OID accruals if the CPDI is exchange listed property, as defined in applicable US Treasury Regulations.

If a US Holder purchases a Note treated as a CPDI for an amount that is less than the adjusted issue price of the CPDI, the amount of the difference allocated to a daily portion of OID or to a projected payment is treated as a positive adjustment to such holder's income inclusion on the date the OID accrues or the payment is made. If a US Holder purchases a Note treated as a CPDI for an amount that is more than the adjusted issue price of the CPDI, the amount of the difference allocated to a daily portion of OID or to a projected payment is treated as a negative adjustment to such US Holder's income inclusion on the date the OID accrues or the payment is made.

Because any Form 1099-OID that a US Holder receives will not reflect the effects of positive or negative adjustments resulting from its purchase of a CPDI at a price other than the adjusted issue price determined for tax purposes, US Holders are urged to consult with their tax advisors as to whether and how adjustments should be made to the amounts reported on any Form 1099-OID.

A US Holder will generally recognize gain or loss on the sale or retirement of a CPDI equal to the difference between the amount realized on the sale or retirement and the holder's tax basis of the CPDI. A US Holder's tax basis in a CPDI will generally be equal to its cost, increased by the amount of OID previously accrued with respect to the CPDI (determined without regard to any positive or negative adjustments reflecting the difference between actual payments and projected payments), increased or decreased by the amount of any positive or negative adjustment that the US Holder is required to take into account for the difference between such US Holder's purchase price for the Note and the adjusted issue price of the CPDI at the time of the purchase, and decreased by the amount of any projected payments scheduled to be made on the CPDI to the US Holder (without regard to the actual amount paid).

Gain from the sale or retirement of a CPDI will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the US Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the US Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realized by a US Holder on the sale or retirement of a CPDO will be US source.

- (d) *Other Alternative Characterizations of the Notes:* Although the Issuer currently expects to treat the Notes, for US federal income tax purposes, as equity in the Issuer (and, as discussed above, US Holders are required to report income bases on the characterization of the Notes as equity in the Issuer), it is possible that the IRS will treat the Notes as neither debt nor equity in the Issuer, but rather as ownership interests in the Underlying Hedge Position or in a partnership that holds the underlying Hedge Position. In either case, a US Holder would be treated as earning directly or indirectly through the partnership, its share of the income, gain, loss or deduction arising under the Underlying Hedge Position. As discussed above, there is a great deal of uncertainty about how income accrues on a prepaid equity swap such as the underlying Hedge Position. Thus, the timing and character of the income is uncertain, although Additional Amounts will most likely be characterized as ordinary income.

One likely characterization of the underlying Hedge Position, however, is as a combination of a debt instrument in which the holder earns interest periodically and a notional principal contract in which the holder makes interest rate-based periodic payments. Under this characterization the periodic interest payments deemed received would be includable in gross income and the periodic payments deemed paid on the underlying Hedge Position would be treated as deductible business expenses in the case of a corporation but as miscellaneous itemized deductions in the case of individuals (and other non-corporate US Holders that are not engaged in a business). Miscellaneous itemized expenses are deductible only to the extent they in the aggregate exceed two per cent. of a holder's adjusted gross income and are not deductible at all for alternative minimum tax purposes. Thus, a holder of a Note that is not a corporation may recognize in any year "phantom income" (income that does not relate to any cash distributions it receives) that is not offset by taxable losses in a later year. Accordingly prospective purchasers of the Notes that are not corporations are urged to consult with the own tax advisors regarding the characterization of the Notes and whether the Notes are a suitable investment for them.

In addition, it is unlikely but nonetheless possible that a US Holder may be required to market its interest in the underlying Hedge Position each year. Further, certain proposed regulations and proposed legislative changes could require the holder of a prepaid total return swap to accrue income at a specified minimum interest rate or mark the contract to market. If any of such proposals were to become effective, they would likely accelerate the income of US Holders under this characterisation of the Note.

If the Notes were characterized as partnership interests in a partnership, US Holders would take into account their allocable portion of the partnership's income, gain, loss, credit and deductions, and generally would be taxed in a manner substantially similar to the manner discussed above in this subsection. The partnership's taxable income for each taxable year will be computed in the same manner as for an individual, except that certain specified deductions are not allowed and each holder must take into account in computing its taxable income for US federal income tax purposes its allocable share of the partnership's income for the taxable year of the partnership that ends with or within the holder's taxable year. A share of certain expenses of the partnership allocable to a holder who is an individual, estate or trust would constitute miscellaneous itemized deductions subject to certain limitations and will not be available for alternative minimum tax purposes.

Another possible characterization of the Notes is as a prepaid, cash-settled forward contract. The timing and character of income on a prepaid, cash-settled forward contract is unclear and may require the accrual of ordinary income on the contract prior to over the life of the contract.

Prospective investors in the Notes should consult their own tax advisors about the possible characterizations of the Notes for US federal income tax purposes and how they should report the income on the Notes on their own tax returns.

- (e) *Constructive Ownership Transactions:* To the extent that a Note is treated as a "constructive ownership transaction," all or a portion of the gain that would otherwise be treated as long-term capital gain on the disposition (or deemed disposition) of a Note may be treated as ordinary income and an interest charge may be imposed on a deemed underpayment of tax for each taxable year during which the Note was held. For the purpose of determining the interest charge, gain treated as ordinary income is allocated to each such taxable year during which the Note was held so that the amount of gain accrued from one year to the next increases at a constant rate equal to the "applicable federal rate" (a rate published monthly by the IRS based on prevailing Treasury yields) in effect at the time the Note is disposed. A constructive ownership transaction includes, among others, forward contracts and total return swaps with respect to stock in a PFIC. It is possible that if the Notes are not treated as CPDIs or equity of the Issuer, the Notes may be characterized in whole or in part as part of a constructive ownership transaction.
- (f) *Acquisition of a Note at a Price other than Par:* It is possible that an investor that acquires a Note at a discount, that is, for a price below its par amount, will be required to include the difference between the acquisition price and par in income over the life of the Note. Further, any such income may be ordinary income. It is possible that an investor that acquires a Note at a premium, that is, for a price in excess of its par amount will not be permitted to amortize that difference over the life of the Note. Further any loss realized on account of such difference will likely be capital loss. Prospective purchasers of Notes at prices other than par should consult with their own tax advisors regarding the consequences of discount and premium to them of acquiring, holding and disposing of the Note.
- (g) *Form 926 Reporting:* In general, US Holders that transfer cash to the Issuer for their Notes may be required to file a Form 926 with the IRS and to supply certain additional information to the IRS if (i) such US Holder owns (directly or indirectly) immediately after the transfer, at least ten per cent. by vote or value of the Issuer or (ii) the transfer, when aggregated with all related transfers under applicable regulations, exceeds US\$100,000. Accordingly, US Holders should consult their own tax advisors with respect to whether they should file Form 926. In the event a US Holder that is required to file such form, fails to file such form, the US Shareholder could be subject to a penalty of up to US\$100,000 (computed as ten per cent. of the gross amount paid for its beneficial interest) or more if the failure to file was due to intention is regard of its obligation.
- (h) *Notes Denominated in a Currency Other than in US Dollars:* Certain additional US federal income tax consequences apply to a Series of Notes that are denominated in a currency other than the US Dollar (a "**foreign currency**").

A US Holder generally will have a tax basis in foreign currency that is purchased equal to the US dollar value of such foreign currency on the date of purchase. The acquisition of a Note with foreign currency generally will be treated as a disposition of the foreign currency on the settlement date of the purchase of the Note. A US Holder that settles the purchase of a Note with foreign currency may have gain or loss on the disposition of the foreign currency. Such gain or loss will be US-source ordinary income or loss.

A US Holder's tax basis in its Note will generally be equal to the US dollar value of the foreign currency on the settlement date of purchase of the Note. The amount realized on the maturity of a Note redeemed in a foreign currency will be the US dollar value of the redemption amount. The amount realized on a sale (or other disposition) of a Note for an amount in foreign currency will be the US dollar value of that amount on the date of sale. On the settlement date, the US Holder generally will recognize US-source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the US dollar value of the amount received based on the exchange rates in effect on the date of sale and the settlement date.

A US Holder generally will have a tax basis in foreign currency received on the redemption or sale (or other disposition) of a Note equal to the US dollar value of the foreign currency on the redemption or settlement date. When the US Holder disposes of the foreign currency, the US Holder may recognize gain or loss which will be US source ordinary income or loss.

Payments treated as dividends on a Note that are paid in foreign currency will be included in income in a US dollar amount calculated by reference to the exchange rate in effect on the day the payments are received (or treated as received for US tax purposes) by the US Holder, regardless of whether the foreign currency is converted into US dollars at that time. If payments received in foreign currency are converted into US dollars on the day they are received, the US Holder generally will not recognize foreign currency gain or loss in respect of the payment. If the US Holder disposes of the foreign currency at any other time, however, the US Holder may recognize gain or loss which will be US source ordinary income or loss.

Except where otherwise indicated, the forgoing discussion applies only to Notes that, as expected, are (i) properly characterized as equity in the Issuer for US federal income tax purposes and (ii) not traded on an established securities market. Prospective investors should consult with their own US tax advisors regarding the rules that would apply to the Notes if they were characterized as other than equity in the Issuer, or if the Notes are, in fact, traded on an established securities market.

CERTAIN ERISA CONSIDERATIONS

The advice below was not written and is not intended to be used and cannot be used by any taxpayer for purposes of avoiding United States federal income tax penalties that may be imposed. The advice is written to support the promotion or marketing of the transaction. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

The foregoing language is intended to satisfy the requirements under the new regulations in Section 10.35 of Circular 230.

The US Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), imposes fiduciary standards and certain other requirements on employee benefit plans and other retirement arrangements subject thereto, including collective investment funds, insurance company general and separate accounts whose underlying assets are treated as if they were assets of such plans pursuant to the US Department of Labor's "**plan assets**" regulation, set forth at 29 C.F.R. Section 2510.3-101 (the "**Plan Assets Regulation**") and on those persons who are fiduciaries with respect to such plans or arrangements. ERISA's general fiduciary requirements include the requirement of investment prudence and diversification and the requirement that investments be made in accordance with the governing plan documents. The prudence of a particular investment will be determined by the responsible fiduciary by taking into account the particular circumstances of the plan and all of the facts and circumstances of the investment including, but not limited to, the matters discussed above under "Risk Factors" and the fact that in the future there may be no market in which such fiduciary will be able to sell or otherwise dispose of an investment.

In addition, Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of plans and arrangements subject to ERISA (as well as those that are not subject to ERISA but which are subject to Section 4975 of the Code (together "**Plans**")) and certain persons (referred to as "**parties in interest**" or "**disqualified persons**") having certain relationships to such Plans, unless a statutory or administrative exemption applies to the transaction. In particular, a sale or exchange of property or an extension of credit between a Plan and a "**party in interest**" or "**disqualified person**" may constitute a prohibited transaction. In the case of indebtedness, the prohibited transaction provisions apply throughout the term of such indebtedness (and not only on the date of the initial borrowing). A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes or other liabilities under ERISA and the Code.

Governmental, church and non-US plans, while not subject to the fiduciary responsibility provisions of ERISA or the provisions of Section 4975 of the Code, may nevertheless be subject to US federal, state or local laws or non-US laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before purchasing any Notes.

Under a "**look-through rule**" set forth in the Plan Assets Regulation, if a Plan invests in an "**equity interest**" of an entity such as the Issuer and no other exception applies, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets. An equity interest does not include debt (as determined by applicable local law) which does not have substantial equity features. Under the Plan Assets Regulation, if a Plan invests in an "**equity interest**" of an entity that is neither a "**publicly-offered security**" nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless it is established that the entity is an "**operating company**" or that equity participation in the entity by "**benefit plan investors**" is not "**significant**." Equity participation in an entity by "**benefit plan investors**" is "**significant**" if 25 per cent. or more of the value of any class of equity interest in the entity is held by "**benefit plan investors**". Employee benefit plans that are not subject to Title I of ERISA and plans that are not subject to Section 4975 of the Code, such as US governmental and church plans or non-US plans, are not considered "**benefit plan investors**." Only employee benefit plans subject to Title I of ERISA or Section 4975 of the Code or an entity whose underlying assets include plan assets by reason of such plan's investment in the entity are considered in determining whether investment by "**benefit plan investors**" represents 25 per cent. or more of any class of equity of the Issuer. Under Section 3(42) of ERISA, the term "**benefit plan investor**" includes (a) an "**employee benefit plan**" (as defined in Section 3(3) of Title I of ERISA) that is subject to the fiduciary responsibilities provisions of ERISA, (b) a "**plan**" as defined in Section 4975(e)(1) of the Code that is subject to Section 4975 of the Code, (c) any entity whose underlying assets include "**plan assets**" by reason of any such employee benefit plan's or plan's

investment in the entity or (d) a "**benefit plan investor**" as such term is otherwise defined in any regulations promulgated by the US Department of Labor under Section 3(42) of ERISA (collectively, "**Benefit Plan Investors**"). For purposes of making the 25 per cent. determination, the value of any equity interests held by a person (other than a benefit plan investor) who has discretionary authority or control with respect to the assets of the Issuer or any person who provides investment advice for a fee (direct or indirect) with respect to the Issuer's assets, or any affiliate of such a person (a "**Controlling Person**"), shall be disregarded. Under the Plan Assets Regulation, an "**affiliate**" of a person includes any person, directly or indirectly through one or more intermediaries, controlling, controlled by or under common control with the person, and "**control**" with respect to a person, other than an individual, means the power to exercise a controlling influence over the management or policies of such person.

The US Supreme Court's decision, in *John Hancock Mutual Life Insurance Co. v. Harris Trust and Savings Bank* ("**Harris Trust**"), 510 US 86 (1993), held that those funds allocated to the general account of an insurance company pursuant to a contract with an employee benefit plan that varies with the investment experience of the insurance company are "**plan assets**". The American Council of Life Insurance requested a prohibited transaction class exemption to counteract the effects of *Harris Trust*. In the preamble to the resulting Prohibited Transaction Class Exemption 95-60, 60 Fed. Reg. 35925 (12 July 1995) ("**PTCE 95-60**"), the Department of Labor noted that for purposes of calculating the 25 per cent. threshold under the significant participation test of the Plan Assets Regulation, only the proportion of an insurance company general account's equity investment in the entity that represents plan assets should be taken into account. Furthermore, a change in the level of plan investment in a general account subsequent to the general account's purchase of an interest in the entity would not, by itself, trigger a new determination of whether plan participation is significant. However, it is the Department of Labor's view that a purchase by the general account of an additional interest in the entity subsequent to its initial investment or an acquisition in the entity by any investor subsequent to the general account's initial investment would require a new determination of significant plan participation. Although the Department of Labor has not specified how to determine the proportion of an insurance company general account that represents plan assets for purposes of the 25 per cent. threshold, they have, in the case of PTCE 95-60, provided a method for determining the percentage of an insurance company's general account held by the benefit plans of an employer and its Affiliates by comparing the reserves and liabilities for the general account contracts held by such plans to the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus. However, there is no assurance that a similar measurement would be used for purposes of the 25 per cent. threshold.

Any insurance company proposing to invest assets of its general account in the Notes should consider the extent to which such investment would be subject to the requirements of ERISA in light of the US Supreme Court's decision in *Harris Trust* and under any subsequent guidance that may become available relating to that decision. In particular, such an insurance company should consider the retroactive and prospective exemptive relief granted by the Department of Labor for transactions involving insurance company general accounts in Prohibited Transaction Class Exemption 95-60 and the enactment of Section 401(c) of ERISA by the Small Business Job Protection Act of 1996 and the Department of Labor's regulations issued thereunder.

The Notes would likely be considered to have substantial equity features under the Plan Assets Regulations and, accordingly, should not be acquired by any benefit plan investor other than an insurance company general account, provided that in the case of the Notes, less than 25 per cent. of the assets in such general account constitute "**plan assets**" (as defined in the Plan Asset Regulation) for purposes of ERISA and/or Section 4975 of the Code. There are no assurances that any of the exceptions to the look-through rule (other than the exception for equity participation in an entity by benefit plan investors that is less than 25 per cent.) applies to the investment by investors in the Notes of the Issuer. Furthermore, there can be no assurance that, despite the transfer restrictions relating to purchases by benefit plan investors and procedures to be employed to attempt to limit the ownership by benefit plan investors of the Notes to less than 25 per cent. of the Notes, benefit plan investors will not in actuality own 25 per cent. or more of the value of the Notes.

BY ITS PURCHASE OR HOLDING OF A NOTE OR ANY INTEREST THEREIN, THE PURCHASER AND/OR HOLDER THEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED AT THE TIME OF ITS PURCHASE AND THROUGHOUT THE PERIOD THAT IT HOLDS SUCH NOTE OR INTEREST THEREIN THAT (1), (A) IT IS NOT A BENEFIT PLAN INVESTOR OR (B) IT IS AN INSURANCE COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT AND, (I) IT IS NOT A CONTROLLING PERSON, (II) AS OF THE DATE IT ACQUIRES ANY NOTE, OR ANY INTEREST THEREIN, LESS THAN 25 PER CENT. OF THE ASSETS OF SUCH GENERAL ACCOUNT CONSTITUTES "PLAN ASSETS" (AS DEFINED IN THE "**PLAN ASSETS REGULATION**") FOR PURPOSES OF ERISA AND/OR SECTION 4975 OF THE CODE, (III) IT AGREES THAT IF, AFTER ITS INITIAL ACQUISITION OF ANY CLASS OF THE NOTES OR ANY INTEREST THEREIN, AT ANY TIME DURING ANY MONTH, 25 PER CENT. OR MORE OF THE ASSETS OF SUCH GENERAL ACCOUNT CONSTITUTES "**PLAN ASSETS**", THEN SUCH INSURANCE COMPANY SHALL, IN A MANNER CONSISTENT WITH THE RESTRICTIONS ON TRANSFER SET FORTH HEREIN, DISPOSE OF ALL OF SUCH NOTE, OR ANY OTHER CLASS OF EQUITY INTEREST IN THE ISSUER, AND ANY INTEREST THEREIN, HELD IN ITS GENERAL ACCOUNT BY THE END OF THE NEXT FOLLOWING MONTH AND (IV) THE ACQUISITION OR HOLDING OF ANY SUCH NOTES, OR ANY INTEREST THEREIN, WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE WHICH IS NOT COVERED UNDER PTCE 95-60 OR SOME OTHER APPLICABLE EXEMPTION AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-US OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-US LAW THAT IS SUBSTANTIALLY SIMILAR TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE, ITS PURCHASE AND/OR HOLDING OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION UNDER SUCH SUBSTANTIALLY SIMILAR FEDERAL, STATE, LOCAL OR NON-US LAW.

If for any reason the assets of the Issuer are deemed to be "plan assets" of a Plan because one or more Plans is an owner of a Note, certain transactions that the Guarantor or the Dealer, as the case may be, might enter into, or may have entered into, on behalf of the Issuer in the ordinary course of its business might constitute non-exempt "prohibited transactions" under Section 406 of ERISA or Section 4975 of the Code and might have to be rescinded at significant cost to the Issuer. The Guarantor or the Dealer, as the case may be, could be deemed to be an ERISA fiduciary and therefore may be prevented from engaging in certain investments (as not being deemed consistent with the ERISA prudent investment standards) or engaging in certain transactions or fee arrangements because they might be deemed to cause non-exempt prohibited transactions. It also is not clear that Section 403(a) of ERISA, which generally requires that all of the assets of an ERISA Plan be held in trust and limits delegation of investment management responsibilities by fiduciaries of ERISA Plans, would be satisfied. In addition, it is unclear whether Section 404(b) of ERISA, which generally provides that no fiduciary may maintain the indicia of ownership of any assets of a plan outside the jurisdiction of the district courts of the United States, would be satisfied or any of the exceptions to the requirement set forth in 29 C.F.R. Section 2550.404b-1 would be available.

Any Plan fiduciary that proposes to cause a Plan to purchase any Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment, and to confirm that such investment will not constitute or result in a prohibited transaction or any other violation of an applicable requirement of ERISA or any substantially similar law.

The sale of any Notes to a Plan is in no respect a representation by the Issuer, the Dealer or the Guarantor that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

SUBSCRIPTION AND SALE

Unless otherwise provided in the applicable Final Terms and/or Drawdown Prospectus (as applicable), Financial Brokerage Group will act as Dealer to purchase, procure the placement of and/or distribute the Notes to be sold outside the United States to non-US Persons in reliance on Regulation S under the Securities Act.

Unless otherwise provided in the applicable Final Terms and/or Drawdown Prospectus (as applicable), Financial Brokerage Group will act as Dealer to procure the placement of and/or distribute the Notes to be sold inside the United States to US Persons in reliance on Rule 144A under the Securities Act. Financial Brokerage Group is not a registered broker or dealer under the Exchange Act and will be relying on the exemption from registration found in Rule 15a-6 under the Exchange Act. Accordingly, a broker or dealer registered under the Exchange Act will be appointed to serve as Marketing Agent to the Issuer and Financial Brokerage Group in order to satisfy the requirements of Rule 15a-6 in connection with the placement, distribution and sale of the Notes to US Persons in reliance on Rule 144A.

No action has been or will be taken by any Dealer (other than as specified below) that would permit a public offering of the Notes or possession or distribution of any offering material in relation to the Notes in any jurisdiction where action for that purpose is required save as specified in the Final Terms and/or Drawdown Prospectus (as applicable). No offers, sales or deliveries of any Notes, or distribution of any offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer.

Important Information

Any relevant "Authorised Person" acting as Hedge Counterparty is required under the terms of the regulatory approval given to it by the Capital Market Authority to, among other things, notify the Capital Market Authority of the beneficiary of each Hedge Position, which may be deemed to include the beneficial owner of each Note Linked to Saudi Shares.

Each purchaser of Notes will be required, as a condition of any sale of such Notes, to execute a letter substantially in the form set out in "Form of Noteholder Letter" below to the Issuer, the specified "Authorised Person" (if any) and the Guarantor. In respect of Notes Linked to Saudi Shares, such letter, among other things, authorises any of the Issuer, the Guarantor or the specified "Authorised Person" to disclose the purchaser's identity and the terms of such Notes to the Capital Market Authority and also contains certain authorisations, representations, warranties, confirmations and undertakings that each purchaser is required to make in favour of the Issuer, the Guarantor and any specified "Authorised Person". Such letter also contains certain authorisations, representations, warranties, confirmations and undertakings that each purchaser is required to make in respect of US securities laws.

UNITED STATES

The Notes and any Guarantee thereof have not been and will not be registered under the Securities Act, or any state securities laws, and trading in the Notes and any Guarantee thereof has not been approved by the SEC, any state securities commission, the Commodity Futures Trading Commission (the "CFTC") under the US Commodities Exchange Act, as amended, any US federal or state banking authority or any other US or foreign regulatory authority, and the Issuer has not registered, and does not intend to register, as an investment company under the Investment Company Act. In addition Notes may be subject to certain US tax law requirements. Accordingly, the Notes may not be offered, sold, pledged, assigned, delivered, redeemed or otherwise transferred or exercised at any time within the United States or its possessions or to or for the account or benefit of any US Person, except in accordance with Section 4(2) of the Securities Act or Rule 144A. In this Base Prospectus, the term "US Person" has the meaning ascribed to it in either Regulation S or the Code, as the context so requires. The Notes and any Guarantee thereof are being offered and sold outside of the United States in reliance on the registration exemptions contained in Regulation S.

The Notes, other than the Notes sold in reliance on Rule 144A, may not be legally or beneficially owned by any US Person at any time. Each holder and each legal and beneficial owner of a Note not sold in reliance on Rule 144A, as a condition to purchasing such Note or any legal or beneficial interest therein, will be deemed to represent on purchase that neither it nor any person for whose account or benefit such Notes are being purchased (i) is located in the United States, (ii) was solicited to purchase the Notes while present in the United States or (iii) if the offer or sale of such Notes was made prior to the expiration of a 40-day distribution compliance period, is not made to a US person or for the account or benefit of a US person.

Furthermore, each holder and beneficial owner will be deemed on purchase to agree that (1) the Notes offered in reliance on Regulation S will be represented by Global Notes or Global Certificates, as the case may be and accordingly, prior to the expiration of the distribution compliance period, before any interest in a Global Note or Global Certificate, as applicable may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Global Certificate or Global Note, as applicable, it will be required to provide the Registrar or the relevant Agents with a written certification that it is a non-US Person (in the form provided in the Agency Agreement) and (2) the Issuer, the Guarantor, the Agents, the Dealer and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Accordingly, the Dealer has represented and agreed in the Dealer Agreement that it, its affiliates, and any person acting on its behalf has not offered or sold and will not offer or sell the Notes, (other than the Notes sold in reliance on Rule 144A), at any time, directly or indirectly within the United States of America or its possessions or to, or for the account or benefit of, any US Person except in accordance with Rule 903 of Regulation S under the Securities Act, and that neither it, its affiliates nor any persons acting on its behalf have engaged or will engage in any directed selling efforts with respect to such Notes, and it has complied and will comply with the offering restrictions requirement of Regulation S. The terms used in this paragraph have the meanings given to them by Regulation S.

The Dealer has also agreed in the Dealer Agreement that, at or prior to confirmation of a sale of Notes, it, its affiliates, and any person acting on its or their behalf will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes (other than the Notes sold in reliance on Rule 144A) from it (whether upon original issuance or in any secondary transaction) a written confirmation or notice stating that the purchaser is subject to the same restrictions on offers and sales and setting forth the restrictions on offers and sales of the Notes within the United States and its possessions or to, or for the account or benefit of, any US Person.

If the Final Terms and/or Drawdown Prospectus (as applicable) relating to an offering of Notes expressly provides for an offering of such Notes pursuant to Rule 144A under the Securities Act, the Dealer may arrange for the offer and sale of a portion of the Notes within the United States exclusively to persons reasonably believed to be QIB/QP in reliance on the exemption from registration provided by Rule 144A under the Securities Act.

Unless otherwise specified in the relevant Final Terms, notes in bearer form for United States federal income tax purposes are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by the D Rules.

Unless otherwise specified in the relevant Final Terms, in the case of any Note that is in bearer form:

- (a) except to the extent permitted under US Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**"), (a) the Dealer represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, the Notes to a person who is within the United States or its possessions or to a United States person, and (b) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions bearer Definitive Notes or registered Definitive Notes that are sold during the restricted period;
- (b) the Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling the Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, and each Dealer acknowledges that an offer or sale will be considered to be

made to a person who is within the United States or its possessions if the Dealer has (with respect to such offer or sale) an address within the United States or its possessions for the offeree or buyer of the Notes, except as permitted by the D Rules;

- (c) if it is a United States person, the Dealer represents that it is acquiring the Notes for purposes of resale in connection with their original issue and if it retains Notes for its own account, it will only do so in accordance with the requirements of US Treas. Reg. §1.163-5(c)(2)(i)(D)(6);
- (d) with respect to each affiliate that acquires Notes from it for the purpose of offering or selling the Notes during the restricted period, the Dealer either (i) repeats and confirms the representations and agreements contained in (a), (b) and (c) above on such affiliate's behalf or (ii) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in (a), (b) and (c) above; and
- (e) the Dealer represents that it has not and agrees that it will not enter into any written contract (other than a confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than one of its affiliates or another Dealer) has offered or sold, or during the restricted period will offer or sell, any Notes, except where pursuant to the contract the Dealer has obtained or will obtain from that party, for the benefit of the Issuer and the Dealer, the representations contained in, and that party's agreement to comply with, the provisions of (a), (b), (c) and (d) above.

Terms used in (a), (b), (c), (d) and (e) above have the meaning given to them by the US Internal Revenue Code of 1986 and regulations thereunder, including the D Rules.

UNITED KINGDOM

The Dealer has represented and agreed, and each further Dealer appointed under this Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 (financial promotion) of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Dealer may promote the Notes (or appoint a third party to promote the Notes) in the United Kingdom only to persons falling within either Article 19 (investment professionals) or Article 49 (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 and not to any other person unless it is possible to do so without breaching the restriction in section 21(1) of FSMA, and the Dealer considers it appropriate to do so in any particular case. These Notes are not intended to be promoted to retail investors in the UK, and the Dealer will not do so. Subsequent purchasers of the Notes are informed of this and must ensure (and have the sole responsibility of ensuring) that any subsequent sale of the Notes by them is done in accordance with FSMA and the FSA Rules.

EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**"), the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms and/or Drawdown Prospectus, as the case may be, in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Final Terms and/or Drawdown Prospectus (as applicable) in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms and/or Drawdown Prospectus (as applicable) contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms and/or Drawdown Prospectus (as applicable), as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) (inclusive) above shall require the Issuer 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 Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

BAHRAIN, KINGDOM OF

The Dealer has represented and agreed and any further Dealer appointed under the Programme will be required to represent and agree that it has not offered, and will not offer, Notes to (i) the public (as defined in Articles 142-146 of the Commercial Companies Law (Decree Law No. 21/2001) of Bahrain) or (ii) any person in Bahrain who is not an "accredited investor". 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;
- (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).

BRITISH VIRGIN ISLANDS

The Dealer has represented and agreed with the Issuer that it shall not offer and sell Notes to the public in the British Virgin Islands unless the Issuer or the person offering the Notes on its behalf is licensed to carry on business in the British Virgin Islands. The Issuer is not licensed to carry on business in the British Virgin Islands. The Notes may be offered to British Virgin Islands business companies (from

outside the British Virgin Islands) without restriction. A "British Virgin Islands business company" is a BVI company formed under or otherwise governed by the BVI Business Companies Act 2004 of the BVI.

EGYPT

The Notes described in this document have not been, and are not being, publicly offered, sold, promoted or advertised in Egypt. Further, this document does not constitute a public offer of Notes in Egypt and is not intended to be a public offer.

KUWAIT

The Dealer has represented and agreed that no marketing or sale of the Notes may take place in Kuwait unless the same has been duly authorised by the Kuwait Ministry of Commerce and Industry pursuant to the provisions of Law No. 31/1990 and the various ministerial regulations issued thereunder.

QATAR (EXCLUDING THE QATAR FINANCIAL CENTRE)

Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, any Notes in Qatar, except (a) in compliance with all applicable laws and regulations of Qatar 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 Qatar.

SAUDI ARABIA, KINGDOM OF

Notes may not be offered or sold into the Kingdom of Saudi Arabia or to or for the benefit of anyone who is not a "non-resident foreign investor" for the purpose of the CMA Resolution (as defined in "Form of Noteholder Letter" below).

Each purchaser of Notes shall be obliged to sign and deliver to the Issuer, the Guarantor and the relevant Authorised Person a letter in substantially the form set forth in "Form of Noteholder Letter" below, and comply with the authorisations, representations, warranties confirmations and undertakings set forth therein.

UNITED ARAB EMIRATES

United Arab Emirates (excluding the Dubai International Finance Centre)

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to acknowledge and agree that:

- (a) the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of Notes;
- (b) the information contained in this Base Prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law 8 of 1984 (as amended)) or otherwise and is not intended to be a public offer and the information contained in this Base Prospectus is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the United Arab Emirates; and
- (c) the Notes to be issued under the Programme and this Base Prospectus have not been and will not be filed, reviewed or approved by the United Arab Emirates Central Bank, the Emirates Securities and Commodities Authority, or any other governmental regulatory body or securities exchange.

Dubai International Financial Centre

The Notes may not, are not and will not be offered into or from the Dubai International Financial Centre and may not be distributed, sold, transferred or delivered, directly or indirectly, to any person in the Dubai International Financial Centre.

General

The Dealer represents, warrants and agrees that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms and/or Drawdown Prospectus (as applicable) or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms and/or Drawdown Prospectus (as applicable) comes are required by the Issuer, the Guarantor and the Dealer to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms and/or Drawdown Prospectus (as applicable) or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealer shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealer described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms and/or Drawdown Prospectus (as applicable) (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

Disclaimer

As a result of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

No offers, sales, re-sales or deliveries of any Notes, or distribution of any offering material relating to any Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer or the Guarantor.

FORM OF NOTEHOLDER LETTER

Each purchaser of Notes shall be obliged to sign and deliver to the Issuer, the Guarantor and (in relation to Notes Linked to Saudi Shares only) the person which is specified as the "Authorised Person" therein, a letter substantially in the form below.

[On letterhead of Noteholder]

To:

EFG-Hermes MENA Securities Limited
(the "**Issuer**")
Kingston Chambers
P.O. Box 173, Road Town
Tortola, British Virgin Islands
For the attention of Philip Ireland, Dubai Office

EFG-Hermes Holding S.A.E.
(the "**Guarantor**")
Building No. B129
Phase 3, Smart Village
Km 28 Cairo Alexandria Desert Road
6 October 12577, Egypt
For the attention of: []

[]

("Authorised Person")*

[Date]

Dear Sir/Madam,

Authorisations, representations, warranties, confirmations and undertakings as to compliance with (i) Saudi law requirements with regard to holding Notes linked to Saudi Shares and (ii)* US tax and securities laws

We, [**Legal Name of Noteholder**] domiciled in [**Noteholder's Country of Origin**] acting for our own benefit ("**we**", "**us**", "**our**" or "**ourselves**" as the case may be) refer to the Notes referencing [ordinary] [preference] shares [of [**NAME OF SHARE ISSUER**] ("**Saudi Shares**")]* issued by EFG-Hermes MENA Securities Limited (the "**Notes**").

We confirm that we are aware that:

- (a) The Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**") regulates share dealing and associated activities in the Kingdom of Saudi Arabia.
- (b) Pursuant to Capital Market Authority Board of Commissioners resolution number 2-28-2008 as published by the Capital Market Authority in its Circular for Authorized Persons to Enter into Swap Agreements dated 17/8/1429H corresponding to 18/8/2008G, as amended by Board of Commissioners resolution number 3-10-2010 dated 30/3/1431H corresponding to 16-3-2010G (the "**CMA Resolution**"), "Authorised Persons" may enter into derivative transactions with non-resident foreign investors whether institutions or individuals, to transfer the economic benefits of Saudi companies' shares listed on the Saudi Stock Exchange (Tadawul), while the relevant Authorised Persons retain the legal ownership of such shares, all on the terms and conditions set forth in the CMA Resolution (as described below). A copy of the CMA Resolution may be obtained on request from the Issuer or the Guarantor.
- (c) The Issuer may (but shall be under no obligation under the Notes to) to establish a Hedge Position in respect of its obligations under such Notes including the appointment of the

* Applicable only in respect of any Notes linked to Shares, the Share Issuer of which is in the Kingdom of Saudi Arabia.

Authorised Person as a Hedge Counterparty which may hold a position in the relevant Shares. We acknowledge that we have no economic or other interest (including any voting right) in any such Hedge Position or in any Shares held by an Authorised Person as Hedge Counterparty.

- (d) Pursuant to the CMA Resolution, the assets and money of a non-resident foreign investor who is a party to a swap agreement entered into under the CMA Resolution shall be deemed client money and client assets held by the Authorised Person. Pursuant to Part 7 of the Authorised Persons Regulations, the Authorised Person must segregate its own money and assets from such client money and client assets. Thus, the Authorised Person will segregate from its own assets any Saudi Shares held by it as Hedge Counterparty in connection with a Hedge Position.
- (e) Pursuant to the CMA Resolution, the Authorised Person must submit to the Corporate Finance Department of the Capital Market Authority on a monthly basis certain details of all swap transactions relating to the Saudi Shares, which may include certain details relating to the Notes such as the ultimate beneficiary name, country of origin, details of the underlying shares and quantity and any other information that may be required by the Capital Market Authority.
- [(f) The Notes will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**").]

In connection with the Notes, we authorise, represent, warrant, confirm and undertake as follows:

1. we have all requisite power and authority to enter into this letter and this letter has been duly authorised, validly executed and delivered by us and constitutes our valid and legally binding agreement; such entrance into this letter and our acquisition of and payment for any Notes do not violate or conflict with any law applicable to us, any provision of our constitutional documents, any order or judgment of any court or other governmental agency applicable to us or any of our assets or any contractual restriction binding on or affecting us or any of our assets;
2. we are a "non-resident foreign investor" for the purposes of the CMA Resolution and we are purchasing the Notes for our own account and we are not purchasing the Notes for, on behalf of, or for the benefit or account of any other person or entity, and we are purchasing the Notes as principal and not as agent of any person or entity, and we have not entered and will not enter into any back-to-back transactions in connection with the Notes whatsoever;
3. we will promptly, as and when requested by you, provide to you confirmation of our name (including any changes thereto), country of origin, number of Notes held by us and any other information requested by the Capital Market Authority under the CMA Resolution in relation to the holders of the Notes;
4. we authorise you to release to the Capital Market Authority the information obtained from us pursuant to paragraph 3 above in order to satisfy the provisions set out in the CMA Resolution and/or as expressly requested in writing by the Capital Market Authority from time to time, including in order for you to make any notifications and/or reports to the Corporate Finance Department of the Capital Market Authority as required by the terms of the CMA Resolution;
5. we are aware that the Capital Market Authority may from time to time impose qualitative or quantitative restrictions or any other requirements on the Hedge Position, the Notes or on the ultimate beneficial investors of the Notes and, if any such restrictions or requirements are imposed, then you may give effect to such restrictions or requirements by amending the terms and conditions of the Notes without our consent and/or by requiring early redemption of the Notes (all pursuant to Condition 6 (*Adjustments and Additional Redemption Events*) of the Notes);
6. we will not, directly or indirectly, sell, transfer, assign or otherwise dispose of any interest in the Notes to or for the benefit or account of any other entity unless, prior to such sale, transfer, assignment or otherwise the proposed transferee of such Note has duly completed and signed and returned to you to your satisfaction a letter substantially similar to this one [and otherwise

satisfied your internal diligence procedures to ensure compliance with the CMA Resolution (as confirmed by you to us);*]

7. please check (a) or (b) below, as applicable:
- (a) we are a US person (as used in this clause 7, as such term is defined in Rule 902 of Regulation S of the Securities Act ("**Regulation S**")), we (A) are aware that the sale of such Notes to us is being made in reliance on Rule 144A (such notes, "**Rule 144A Notes**"), (B) are a qualified institutional buyer ("**QIB**") as defined in Rule 144A, (C) are a qualified purchaser ("**QP**") as defined in Section 2(a)(51) of the US Investment Company Act of 1940 for purposes of Section 3(c)(7) thereunder, (D) are acquiring such Rule 144A Notes for our own account or for the account of a person who is both a QIB and a QP as to which we exercise sole investment discretion, and in a principal amount of not less than US\$250,000 for us and for each such account, (E) are not purchasing such Rule 144A Notes with a view toward resale, distribution or other disposition thereof in violation of the Securities Act, (F) have not relied on any communication (written or oral) of the Issuer or the Dealer (as each term is defined in the Securitized Holding Abwab Market Access Listed (SHAMAL) Notes Programme prospectus dated 15 November 2010 (the "**Base Prospectus**") or any of their respective affiliates, representatives or agents with respect to the business, financial, investment, legal, regulatory, accounting, tax and other implications of such an investment (it being understood that information contained in the Base Prospectus or in the Final Terms and/or Drawdown Prospectus (as applicable) relating to such Rule 144A Notes shall not be considered investment advice or a recommendation to acquire such Rule 144A Notes), and (G) will provide notice of the transfer restrictions and representations relating to Rule 144A Notes set forth in the Base Prospectus to any subsequent transferees; or
- (b) we are not a US person, in respect of Notes purchased pursuant to Regulation S of the Securities Act ("**Regulation S Notes**"), we (A) understand that the offer or sale of such Regulation S Notes held by us, if made prior to the expiration of a 40-day distribution compliance period, is not made to a US person or for the account or benefit of a US person (other than a distributor), (B) are located outside the United States, (C) are not purchasing such Regulation S Notes with a view to the resale, distribution, or other disposition thereof in violation of the Securities Act, (D) are aware that the sale of such Regulation S Notes to us is being made in reliance on the exemption from registration provided by Regulation S and (E) will provide notice to each person to whom we propose to transfer any interest in such Regulation S Notes of the transfer restrictions and representations set forth in the Base Prospectus relating to Regulation S Notes;
8. we understand and agree that any purported transfer of Notes to a purchaser that does not comply with the requirements of Rule 144A or Regulation S, as applicable, shall be null and void *ab initio*;
9. if we are subject to US federal income taxation:
- (a) we acknowledge and agree that the Issuer currently expects to treat the Notes, for US federal income tax purposes, as equity interests in the Issuer, for US federal income tax purposes, consistent with the characterization of the Notes as equity interests in the Issuer;
- (b) we understand that the Issuer is likely to be a passive foreign investment company ("**PFIC**") for US federal income tax purposes; and
- (c) we have reviewed "Risk Factors" and "United States Federal Income Tax Considerations" in the Base Prospectus and have consulted with our own US tax advisors and are comfortable with the tax risks inherent in a purchase of the Notes. We are aware that all income on the Notes, including all gain on the sale or other taxable disposition of a Note will likely be ordinary income and it is possible that a US Holder

of a Note will be treated as earning income at a rate faster than the rate at which Additional Amounts are made on the Notes. Further we are aware that under some possible characterisations of the Notes, a holder of a Note that is not a corporation may recognise in any year "phantom income" (income that does not relate to any cash distributions it receives) that is not offset by taxable losses in a later year. Thus, we are aware that the Notes may not be a suitable investment for an investor that is not a corporation; and

10. we have not relied on you in giving the authorisations, representations, warranties, confirmations and undertakings in this letter.

The terms of this letter (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in anyway relating to this letter or its formation) are governed by, and shall be construed in accordance with English law. We irrevocably submit to the jurisdiction of the English courts and waive any objections to proceedings in such courts on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.

Yours faithfully,

By:

Name:

Title:

For and on behalf of

[Legal Name of Noteholder]

TRANSFER RESTRICTIONS

1. *Introduction*

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

A beneficial interest in a Regulation S Global Certificate may be transferred to a person who wishes to take delivery of such interest through a Rule 144A Global Certificate only upon receipt by the Registrar of a written certification to the effect that such transfer is being made to a person that is a QIB/QP and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. US Persons may not hold an interest in a Regulation S Global Certificate at any time. A beneficial interest in a Rule 144A Global Certificate may be transferred to a person who wishes to take delivery of such interest through a Regulation S Global Certificate only upon receipt by the Registrar of a written certification from the transferor to the effect that such transfer is being made in accordance with Regulation S in the Form of Noteholder Letter herein.

2. **Form of Noteholder Letter**

Each purchaser of Notes will be required, as a condition of any purchase of such Notes, to execute a letter substantially in the form set out in "Form of Noteholder Letter" above to the Issuer, the specified "Authorised Person" (if any) and the Guarantor. In respect of Notes Linked to Saudi Shares, such letter, among other things, authorises any of the Issuer, the Guarantor or the specified "Authorised Person" to disclose the purchaser's identity and the terms of such Notes to the Capital Market Authority and also contains certain authorisations, representations, warranties, confirmations and undertakings that each purchaser is required to make in favour of the Issuer, the Guarantor and any specified "Authorised Person". Such letter also contains certain authorisations, representations, warranties, confirmations and undertakings that each purchaser is required to make in respect of US securities laws.

3. **Rule 144A Notes**

Each prospective purchaser of Rule 144A Notes, by accepting delivery of this Base Prospectus, will be deemed to have represented and agreed as follows:

The purchaser acknowledges that this Base Prospectus is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than pursuant to Rule 144A ("**Rule 144A**") under the Securities Act. Distribution of this Base Prospectus, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

The purchaser agrees not to make any photocopies of this Base Prospectus or any documents referred to herein and, if such person does not purchase such Notes or the offering is terminated, to return this Base Prospectus and all documents referred to herein to the Dealer or the Affiliate or representative thereof who furnished this Base Prospectus and those documents.

The purchaser (a) is a qualified institutional buyer ("**QIB**") as defined in Rule 144A, (b) is aware that the sale of such Rule 144A Notes to it is being made in reliance on Rule 144A, (c) is a qualified purchaser ("**QP**") as defined in the Investment Company Act, (d) is acquiring such Notes for its own account or for the account of a person who is both a QIB and a QP as to which the purchaser exercises sole investment discretion, and in a principal amount of not less than US\$250,000 for the purchaser and for each such account, and (e) will provide notice of the transfer restrictions and representations set forth herein to any subsequent transferees.

The purchaser understands that such Rule 144A Notes have not been and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (a)(i) if to a US person (as defined in Regulation S) to a person who is both a QIB and a QP and whom the purchaser reasonably believes is purchasing for its own account or for the

account of a person who is both a QIB and QP as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) otherwise, in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S that takes delivery in the form of Regulation S Notes and (b) in accordance with all applicable securities laws including the securities laws of any state of the United States and any other applicable jurisdiction. The purchaser understands that the Issuer has not been registered under the Investment Company Act, and that the Issuer is exempt from registration as such by virtue of Section 3(c)(7) of the Investment Company Act. The purchaser understands that before any interest in a Rule 144A Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Notes, the Registrar is required to receive a written certification from the purchaser (in the Form of Noteholder Letter herein) as to compliance with the transfer restrictions described herein. The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph (3) shall be null and void *ab initio*.

The purchaser and each account for which the purchaser is acquiring such Rule 144A Notes is a qualified purchaser ("**QP**") for purposes of Section 3(c)(7) of the Investment Company Act. The purchaser and each such account is acquiring the Rule 144A Notes as principal for its own account for investment and not for sale in connection with any distribution thereof. The purchaser and each such account (i) was not formed for the specific purpose of investing in the Rule 144A Notes (except when each beneficial owner of the purchaser and each such account is a QP), (ii) to the extent the purchaser is a private investment company formed before April 30, 1996, the purchaser has received the necessary consent from its beneficial owners, (iii) is not a pension, profit-sharing or other retirement trust fund or plan in which the partners, beneficiaries or participants, as applicable, may designate the particular investments to be made, and (iv) is not a broker-dealer that owns and invests on a discretionary basis less than US\$25,000,000 in securities of unaffiliated issuers. Further, the purchaser agrees with respect to itself and each such account (A) that it shall not hold such Rule 144A Notes for the benefit of any other person and shall be the sole beneficial owner thereof for all purposes, (B) that it shall not sell participation interests in the Rule 144A Notes or enter into any other arrangement pursuant to which any other person shall be entitled to a beneficial interest in the distributions on the Rule 144A Notes, and (C) that the Rule 144A Notes purchased directly or indirectly by it constitute an investment of no more than 40 per cent. of the purchaser's and each such account's assets (except when each beneficial owner of the purchaser and each such account is a QP for purposes of Section 3(c)(7) of the Investment Company Act). The purchaser understands and agrees that any purported transfer of the Rule 144A Notes to a purchaser that does not comply with the requirements of this paragraph will be of no force and effect, will be void *ab initio* and the Issuer will have the right to direct the purchaser to transfer its Rule 144A Notes to a Person who meets the foregoing criteria.

The purchaser understands that the Rule 144A Notes offered in reliance on Rule 144A will bear the legend set forth below, and, on issue will be represented by one or more Rule 144A Global Certificates. The Rule 144A Notes may not at any time be held by or on behalf or for the account or benefit of persons that are not QIB/QP. Before any interest in a Rule 144A Note may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Note, the transferor will be required to provide the Issuer with a written certification (in the form set out in the Form of Noteholder Letter above) as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES REPRESENTED BY THIS CERTIFICATE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A "**QUALIFIED INSTITUTIONAL BUYER**" WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN

A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT IN A PRINCIPAL AMOUNT OUTSTANDING OF NOT LESS THAN US\$250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND, IN THE CASE OF (A)(1) ABOVE TO A PURCHASER THAT (V) IS A "**QUALIFIED PURCHASER**" FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN US\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTIONS. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED HOLDERS (AS DEFINED IN THE PROSPECTUS) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS AND CONDITIONS OF THE NOTES. EACH TRANSFEROR OF THE NOTES REPRESENTED BY THIS CERTIFICATE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH IN THE PROSPECTUS TO ITS TRANSFEREE.

ANY TRANSFER, PLEDGE OR OTHER USE OF THIS NOTE FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, THE NOMINEE OF THE DEPOSITORY TRUST COMPANY ("**DTC**"), NEW YORK, NEW YORK, HAS AN INTEREST HEREIN, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF THE NOMINEE OF DTC OR OF SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO THE NOMINEE OF DTC).

EACH PURCHASER OF THE NOTES REPRESENTED BY THIS CERTIFICATE OR ANY BENEFICIAL INTEREST HEREIN UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN THE NOTES FROM ONE OR MORE BOOK-ENTRY DEPOSITORIES.

TRANSFERS OF THE NOTES REPRESENTED BY THIS CERTIFICATE SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THE NOTES REPRESENTED BY THIS CERTIFICATE SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE PROSPECTUS.

PRINCIPAL OF THE NOTES REPRESENTED BY THIS CERTIFICATE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE PRINCIPAL AMOUNT OUTSTANDING OF THE NOTES REPRESENTED BY THIS CERTIFICATE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THE NOTES REPRESENTED BY THIS CERTIFICATE MAY ASCERTAIN

ITS CURRENT PRINCIPAL AMOUNT OUTSTANDING BY INQUIRY OF THE US REGISTRAR.

BY ITS PURCHASE OR HOLDING OF A NOTE, OR ANY INTEREST THEREIN, THE PURCHASER AND/OR HOLDER THEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED AT THE TIME OF ITS PURCHASE AND THROUGHOUT THE PERIOD THAT IT HOLDS SUCH NOTE OR INTEREST THEREIN THAT (1)(A) IT IS NOT AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY OR A "BENEFIT PLAN INVESTOR" AS SUCH TERM IS OTHERWISE DEFINED IN ANY REGULATIONS PROMULGATED BY THE US DEPARTMENT OF LABOR UNDER SECTION 3(42) OF ERISA OR (B) IT IS AN INSURANCE COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT AND (I) IT IS NOT A PERSON WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS OR AN AFFILIATE OF SUCH A PERSON, (II) AS OF THE DATE IT ACQUIRES A NOTE OR ANY INTEREST THEREIN, LESS THAN 25 PER CENT. OF THE ASSETS OF SUCH GENERAL ACCOUNT CONSTITUTES "PLAN ASSETS" (AS DEFINED IN THE "PLAN ASSETS REGULATION"), (III) IT AGREES THAT IF, AFTER ITS INITIAL ACQUISITION OF A NOTE, OR ANY INTEREST THEREIN, AT ANY TIME DURING ANY MONTH, 25 PER CENT. OR MORE OF THE ASSETS OF SUCH GENERAL ACCOUNT CONSTITUTES "PLAN ASSETS", THEN SUCH INSURANCE COMPANY SHALL, IN A MANNER CONSISTENT WITH THE RESTRICTIONS ON TRANSFER SET FORTH IN THE PROSPECTUS, DISPOSE OF ALL OF THE NOTES, OR ANY INTEREST THEREIN, HELD IN ITS GENERAL ACCOUNT BY THE END OF THE NEXT FOLLOWING MONTH AND (IV) THE ACQUISITION OR HOLDING OF SUCH NOTE, OR ANY INTEREST THEREIN, WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE WHICH IS NOT COVERED UNDER PROHIBITED TRANSACTION CLASS EXEMPTION 95-60 OR SOME OTHER APPLICABLE EXEMPTION AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-US OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-US LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, ITS PURCHASE AND/OR HOLDING OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION UNDER SUCH SUBSTANTIALLY SIMILAR FEDERAL, STATE, LOCAL OR NON-US LAW. ANY PURPORTED TRANSFER OF THE NOTES, OR ANY INTEREST THEREIN, TO A PURCHASER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS WILL BE OF NO FORCE AND EFFECT, SHALL BE NULL AND VOID AB INITIO AND THE ISSUER WILL HAVE THE RIGHT TO DIRECT THE PURCHASER OR TRANSFEREE TO TRANSFER THE NOTES, OR ANY INTEREST THEREIN, AS APPLICABLE, TO A PERSON WHO MEETS THE FOREGOING CRITERIA.

THE FAILURE TO PROVIDE THE ISSUER, THE GUARANTOR AND ANY PAYING AGENT WITH THE APPLICABLE US FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, AN INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS A "**UNITED STATES PERSON**" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE OR AN APPLICABLE INTERNAL REVENUE SERVICE FORM W-8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "**UNITED STATES PERSON**" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE) MAY RESULT IN US FEDERAL BACK-UP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THE NOTES REPRESENTED BY THIS CERTIFICATE.

BY ITS PURCHASE OR HOLDING OF ANY TRANCHE OF NOTES OR ANY INTEREST THEREIN, THE PURCHASER AND/OR HOLDER THEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED AT THE TIME OF ITS PURCHASE AND THROUGHOUT THE PERIOD THAT IT HOLDS SUCH NOTE OR INTEREST THEREIN THAT IT WILL TREAT EACH TRANCHE OF NOTES AS ITS RESPECTIVE COMPONENTS RATHER THAN A SINGLE UNIT FOR UNITED STATES FEDERAL INCOME TAX PURPOSES.

EACH HOLDER AND EACH BENEFICIAL OWNER OF A NOTE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN A NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH NOTE AS EQUITY IN THE ISSUER FOR UNITED STATES FEDERAL INCOME TAX PURPOSES EXCEPT AS OTHERWISE REQUIRED BY APPLICABLE LAW.

The purchaser will not, at any time, offer to buy or offer to sell the Rule 144A Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.

The purchaser is not purchasing the Rule 144A Notes with the intent or purpose of evading, either alone or in conjunction with any other person, the provisions of the Investment Company Act.

The purchaser is not purchasing such Rule 144A Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. It has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Rule 144A Notes, and the purchaser and any accounts for which it is acting are each able to bear the economic risk of its investment. The purchaser understands that an investment in the Rule 144A Notes involves certain risks, including the risk of loss of all or a substantial part of its investment under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Rule 144A Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the Rule 144A Notes, including an opportunity to ask questions of, and request information from, the Issuer.

In connection with the purchase of the Rule 144A Notes (i) neither the Issuer nor the Guarantor is acting as a fiduciary or financial or investment adviser for the purchaser, (ii) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer or the Guarantor other than in this Base Prospectus for such Rule 144A Notes and any representations expressly set forth in a written agreement with such party, (iii) none of the Issuer or the Guarantor has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence, or benefit (including legal, regulatory, tax, financial, accounting, or otherwise) as to an investment in the Rule 144A Notes, (iv) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions based upon its own judgement and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer or the Guarantor, (v) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Rule 144A Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks and (vi) the purchaser is a sophisticated investor.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

With respect to the Notes, or any interest therein, (1)(A) the purchaser is not a Benefit Plan Investor or (B) the purchaser is an insurance company acting on behalf of its general account and (i) it is not a Controlling Person, (ii) as of the date it acquires and throughout the period it

holds the Notes, or any interest therein, less than 25 per cent. of the assets of such general account constitutes "plan assets" (as defined in the "plan asset regulation") for purposes of ERISA and/or Section 4975 of the Code, (iii) it agrees that if, after its initial acquisition of the Notes, or any interest therein, at any time during any month, 25 per cent. or more of the assets of such general account constitute "plan assets", then such insurance company shall, in a manner consistent with the restrictions on transfer set forth herein, dispose of all of the Notes, or any other class of equity interest in the Issuer, and any interest therein, held in its general account by the end of the next following month and (iv) the acquisition and holding of the Notes, or any interest therein, will not constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code which is not covered under PTCE 95-60 or some other applicable exemption and (2) if the purchaser is a governmental, church, non-US or other plan which is subject to any federal, state, local or non-US law substantially similar to the provision of Section 406 of ERISA or Section 4975 of the Code, the purchaser's purchase and holding of such Notes will not constitute or result in a non-exempt violation under any such substantially similar federal, state, local or non-US law. Any purported transfer of the Notes, or any interest therein, to a purchaser that does not comply with the requirements of this paragraph will be of no force and effect, shall be null and void *ab initio* and the Issuer will have the right to direct the purchaser to transfer the Notes, or any interest therein, as applicable, to a person who meets the foregoing criteria.

Each holder and beneficial owner of a Rule 144 Note, by acceptance of its Rule 144 Note or its interest in a Note, shall be deemed to understand and acknowledge that failure to provide the Issuer, the Guarantor or any Paying Agent with the applicable US federal income tax certifications (generally, a United States Internal Revenue Service Form W-9 (or successor applicable form) in the case of a person that is a "**United States person**" within the meaning of Section 7701(a)(30) of the Code or an appropriate United States Internal Revenue Service Form W-8 (or successor applicable form) in the case of a person that is not a "**United States person**" within the meaning of Section 7701(a)(30) of the Code) may result in US federal back-up withholding from payments in respect of such Note.

Each person purchasing Rule 144A Notes from the Issuer, the Guarantor, the Dealer or through an Affiliate of any of them (together, the "**Issuer Group**") acknowledges that (i) it has been afforded an opportunity to request from the Issuer Group and to review, and it has received, all additional information considered by it to be necessary to verify the accuracy of the information herein, (ii) it has not relied on the Issuer Group (or any of them) or any person affiliated with the Issuer Group (or any of them) in connection with its investigation of the accuracy of the information contained in this Base Prospectus or its investment decision, and (iii) no person has been authorised to give any information or to make any representation concerning the Issuer or the Rule 144A Notes other than those contained in this Base Prospectus and, if given or made, such other information or representation should not be relied upon as having been authorised by the Issuer or the Guarantor.

The purchaser acknowledges that the Issuer, the Guarantor, and their respective Affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring the Rule 144A Notes for the account of a QIB, it represents that it has sole investment discretion with respect to such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

4. **Regulation S Notes**

Each purchaser of Regulation S Notes will be deemed to have represented and agreed as follows:

The purchaser is located outside the United States and is not a US Person.

The purchaser understands that the Regulation S Notes have not been and will not be registered under the Securities Act and that the Issuer has not registered and will not register under the Investment Company Act. It agrees, for the benefit of the Issuer, the Guarantor and any of their affiliates, that, if it decides to resell, pledge or otherwise transfer such Regulation S Notes (or any beneficial interest or participation therein) purchased by it, any offer, sale or

transfer of such Regulation S Notes (or any beneficial interest or participation therein) will be made in compliance with the Securities Act and only (i) to a person it reasonably believes is a QIB that is not a broker-dealer that owns and invests on a discretionary basis less than US\$25 million in securities of issuers that are not affiliated persons of the dealer and is not a plan referred to in paragraph (a)(1)(i)(D) or (a)(1)(i)(E) of Rule 144A or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such a plan, if investment decisions with respect to the plan are made by the beneficiaries of the plan, purchasing for its own account or for the account of a QIB in a principal amount of not less than US\$250,000 for it and each such account, in a transaction that meets the requirements of Rule 144A, (B) that constitutes a QP and (C) who takes delivery of such Notes in the form of Rule 144A Notes, or (ii) to a non-US Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.

The purchaser understands that pursuant to the Terms and Conditions of the Notes, the Issuer has agreed that the Regulation S Notes offered in reliance on Regulation S will bear the legend set forth below, and, on issue, will be represented by one or more Regulation S Global Certificates. The Regulation S Notes may not at any time be held by or on behalf or for the account or benefit of US Persons. Before any interest in a Regulation S Notes may be offered, resold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Rule 144A Notes, the transferor will be required to provide any Paying Agent with a written certification as to compliance with the transfer restrictions.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "**INVESTMENT COMPANY ACT**"). THE HOLDER HEREOF, BY PURCHASING THE NOTES IN RESPECT OF WHICH THIS CERTIFICATE HAS BEEN ISSUED, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES REPRESENTED BY THIS CERTIFICATE MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (A)(1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A "**QUALIFIED INSTITUTIONAL BUYER**" WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT IN A PRINCIPAL AMOUNT OUTSTANDING OF NOT LESS THAN US\$250,000 FOR THE PURCHASER AND FOR EACH ACCOUNT FOR WHICH IT IS ACTING, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S OF THE SECURITIES ACT AND IN THE CASE OF (A)(1) ABOVE TO A PURCHASER THAT (V) IS A "**QUALIFIED PURCHASER**" FOR PURPOSES OF SECTION 3(c)(7) OF THE INVESTMENT COMPANY ACT, (W) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE ISSUER (EXCEPT WHEN EACH BENEFICIAL OWNER OF THE PURCHASER IS A QUALIFIED PURCHASER), (X) HAS RECEIVED THE NECESSARY CONSENT FROM ITS BENEFICIAL OWNERS WHEN THE PURCHASER IS A PRIVATE INVESTMENT COMPANY FORMED BEFORE APRIL 30, 1996, (Y) IS NOT A BROKER-DEALER THAT OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN US\$25,000,000 IN SECURITIES OF UNAFFILIATED ISSUERS AND (Z) IS NOT A PENSION, PROFIT SHARING OR OTHER RETIREMENT TRUST FUND OR PLAN IN WHICH THE PARTNERS, BENEFICIARIES OR PARTICIPANTS, AS APPLICABLE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, AND IN A TRANSACTION THAT MAY BE EFFECTED WITHOUT LOSS OF ANY APPLICABLE INVESTMENT COMPANY ACT EXEMPTION AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT, WILL BE VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OR ANY INTERMEDIARY. IN ADDITION TO THE FOREGOING, THE ISSUER MAINTAINS THE RIGHT TO DIRECT THE RESALE OF ANY NOTES PREVIOUSLY TRANSFERRED TO NON-PERMITTED

HOLDERS (AS DEFINED IN THE PROSPECTUS) IN ACCORDANCE WITH AND SUBJECT TO THE TERMS AND CONDITIONS OF THE NOTES. EACH TRANSFEROR OF THE NOTES REPRESENTED BY THIS CERTIFICATE WILL PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH IN THE PROSPECTUS.

EACH PURCHASER OF THE NOTES REPRESENTED BY THIS CERTIFICATE OR ANY BENEFICIAL INTEREST HEREIN UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN THE NOTES FROM ONE OR MORE BOOK ENTRY DEPOSITORIES.

TRANSFERS OF THE NOTES REPRESENTED BY THIS CERTIFICATE OR OF PORTIONS OF THE NOTES REPRESENTED BY THIS CERTIFICATE SHOULD BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE PROSPECTUS.

PRINCIPAL OF THE NOTES REPRESENTED BY THIS CERTIFICATE IS PAYABLE AS SET FORTH HEREIN. ACCORDINGLY, THE PRINCIPAL AMOUNT OUTSTANDING OF THE NOTES REPRESENTED BY THIS CERTIFICATE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF. ANY PERSON ACQUIRING THE NOTES REPRESENTED BY THIS CERTIFICATE MAY ASCERTAIN ITS CURRENT PRINCIPAL AMOUNT BY INQUIRY OF THE REGISTRAR.

BY ITS PURCHASE OR HOLDING OF A NOTE, OR ANY INTEREST THEREIN, THE PURCHASER AND/OR HOLDER THEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED AT THE TIME OF ITS PURCHASE AND THROUGHOUT THE PERIOD THAT IT HOLDS SUCH NOTE OR INTEREST THEREIN THAT (1)(A) IT IS NOT AN EMPLOYEE BENEFIT PLAN (AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**")) THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY PROVISIONS OF ERISA, A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), THAT IS SUBJECT TO SECTION 4975 OF THE CODE, ANY ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" BY REASON OF ANY SUCH PLAN'S INVESTMENT IN THE ENTITY OR A "BENEFIT PLAN INVESTOR" AS SUCH TERM IS OTHERWISE DEFINED IN ANY REGULATIONS PROMULGATED BY THE US DEPARTMENT OF LABOR UNDER SECTION 3(42) OF ERISA OR (B) IT IS AN INSURANCE COMPANY ACTING ON BEHALF OF ITS GENERAL ACCOUNT AND (I) IT IS NOT A PERSON WHO HAS DISCRETIONARY AUTHORITY OR CONTROL WITH RESPECT TO THE ASSETS OF THE ISSUER OR A PERSON WHO PROVIDES INVESTMENT ADVICE FOR A FEE (DIRECT OR INDIRECT) WITH RESPECT TO SUCH ASSETS OR AN AFFILIATE OF SUCH A PERSON, (II) AS OF THE DATE IT ACQUIRES A NOTE OR ANY INTEREST THEREIN, LESS THAN 25 PER CENT. OF THE ASSETS OF SUCH GENERAL ACCOUNT CONSTITUTES "PLAN ASSETS" (AS DEFINED IN THE "PLAN ASSETS REGULATION"), (III) IT AGREES THAT IF, AFTER ITS INITIAL ACQUISITION OF A NOTE, OR ANY INTEREST THEREIN, AT ANY TIME DURING ANY MONTH, 25 PER CENT. OR MORE OF THE ASSETS OF SUCH GENERAL ACCOUNT CONSTITUTES "PLAN ASSETS", THEN SUCH INSURANCE COMPANY SHALL, IN A MANNER CONSISTENT WITH THE RESTRICTIONS ON TRANSFER SET FORTH IN THE PROSPECTUS, DISPOSE OF ALL OF THE NOTES, OR ANY INTEREST THEREIN, HELD IN ITS GENERAL ACCOUNT BY THE END OF THE NEXT FOLLOWING MONTH AND (IV) THE ACQUISITION OR HOLDING OF SUCH NOTE, OR ANY INTEREST THEREIN, WILL NOT CONSTITUTE OR RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE WHICH IS NOT COVERED UNDER PROHIBITED TRANSACTION CLASS EXEMPTION 95-60 OR SOME OTHER APPLICABLE EXEMPTION AND (2) IF IT IS A GOVERNMENTAL, CHURCH, NON-US OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-US LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, ITS PURCHASE AND/OR HOLDING OF SUCH NOTES WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT VIOLATION UNDER SUCH SUBSTANTIALLY SIMILAR FEDERAL, STATE, LOCAL

OR NON-US LAW. ANY PURPORTED TRANSFER OF THE NOTES, OR ANY INTEREST THEREIN, TO A PURCHASER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE FOREGOING REQUIREMENTS WILL BE OF NO FORCE AND EFFECT, SHALL BE NULL AND VOID AB INITIO AND THE ISSUER WILL HAVE THE RIGHT TO DIRECT THE PURCHASER OR TRANSFEREE TO TRANSFER THE NOTES, OR ANY INTEREST THEREIN, AS APPLICABLE, TO A PERSON WHO MEETS THE FOREGOING CRITERIA.

THE FAILURE TO PROVIDE THE ISSUER, THE GUARANTOR AND ANY PAYING AGENT WITH THE APPLICABLE US FEDERAL INCOME TAX CERTIFICATIONS (GENERALLY, AN INTERNAL REVENUE SERVICE FORM W-9 (OR SUCCESSOR APPLICABLE FORM)) IN THE CASE OF A PERSON THAT IS A "**UNITED STATES PERSON**" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE OR AN APPLICABLE INTERNAL REVENUE SERVICE FORM W-8 (OR SUCCESSOR APPLICABLE FORM) IN THE CASE OF A PERSON THAT IS NOT A "**UNITED STATES PERSON**" WITHIN THE MEANING OF SECTION 7701(A)(30) OF THE CODE) MAY RESULT IN US FEDERAL BACK-UP WITHHOLDING FROM PAYMENTS TO THE HOLDER IN RESPECT OF THE NOTES REPRESENTED BY THIS CERTIFICATE.

EACH HOLDER AND EACH BENEFICIAL OWNER OF A NOTE, BY ACCEPTANCE OF SUCH NOTE, OR ITS INTEREST IN A NOTE, AS THE CASE MAY BE, SHALL BE DEEMED TO HAVE AGREED TO TREAT, AND SHALL TREAT, SUCH NOTE AS EQUITY IN THE ISSUER FOR UNITED STATES FEDERAL INCOME TAX PURPOSES EXCEPT AS OTHERWISE REQUIRED BY APPLICABLE LAW.

Regulation S Notes (including any principal receipts or coupons relating to such notes) that are Bearer Notes will contain the following legend:

THIS OBLIGATION MAY NOT BE OWNED BY A UNITED STATES PERSON. ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF THE UNITED STATES.

The purchaser is not purchasing such Regulation S Notes with a view to the resale, distribution or other disposition thereof in violation of the Securities Act.

The purchaser is aware that the sale of Regulation S Notes to it is being made in reliance on the exemption from registration under the Securities Act provided by Regulation S.

The purchaser understands that the Regulation S Notes may not, at any time, be held by, or on behalf or for the account or benefit of, US Persons.

The purchaser understands that an investment in the Regulation S Notes involves certain risks, including the risk of loss of all or a substantial part of its investment under certain circumstances. The purchaser has had access to such financial and other information concerning the Issuer and the Regulation S Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its acquisition of the Regulation S Notes, including an opportunity to ask questions of and request information from the Issuer.

In connection with the purchase of the Regulation S Notes (i) neither of the Issuer or the Guarantor is acting as a fiduciary or financial or investment adviser for the purchaser, (ii) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer or the Guarantor, other than this Base Prospectus for such Regulation S Notes and any representations expressly set forth in a written agreement with such party, (iii) none of the Issuer or the Guarantor has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence, or benefit (including legal, regulatory, tax, financial, accounting, or otherwise) as to an investment in the Regulation S Notes, (iv) the

purchaser has consulted with its own legal, regulatory, tax, business, investment, financial, and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions based upon its own judgement and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer or the Guarantor, (v) the purchaser has evaluated that the rates, prices or amounts and other terms of the purchase and sale of the Regulation S Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks, and (vi) the purchaser is a sophisticated investor.

The purchaser will not, at any time, offer to buy or offer to sell the Regulation S Notes by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertising.

The purchaser will provide notice to each person to whom it proposes to transfer any interest in the Regulation S Notes of the transfer restrictions and representations set forth herein.

With respect to the Notes, or any interest therein, (1)(A) the purchaser is not a Benefit Plan Investor or (B) the purchaser is an insurance company acting on behalf of its general account and (i) it is not a Controlling Person, (ii) as of the date it acquires and throughout the period it holds the Notes, or any interest therein, less than 25 per cent. of the assets of such general account constitutes "plan assets" (as defined in the "plan asset regulation") for purposes of ERISA and/or Section 4975 of the Code, (iii) it agrees that if, after its initial acquisition of the Notes, or any interest therein, at any time during any month, 25 per cent. or more of the assets of such general account constitute "plan assets", then such insurance company shall, in a manner consistent with the restrictions on transfer set forth herein, dispose of all of the Notes, or any other class of equity interest in the Issuer, and any interest therein, held in its general account by the end of the next following month and (iv) the acquisition and holding of the Notes, or any interest therein, will not constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code which is not covered under PTCE 95-60 or some other applicable exemption and (2) if the purchaser is a governmental, church, non-US or other plan which is subject to any federal, state, local or non-US law substantially similar to the provision of Section 406 of ERISA or Section 4975 of the Code, the purchaser's purchase and holding of such Notes will not constitute or result in a non-exempt violation under any such substantially similar federal, state, local or non-US law. Any purported transfer of the Notes, or any interest therein, to a purchaser that does not comply with the requirements of this paragraph will be of no force and effect, shall be null and void *ab initio* and the Issuer will have the right to direct the purchaser to transfer the Notes, or any interest therein, as applicable, to a person who meets the foregoing criteria.

Each holder and beneficial owner of a Regulation S Note, by acceptance of its Regulation S Note or its interest in a Regulation S Note, shall be deemed to understand and acknowledge that failure to provide the Issuer, the Guarantor or any Paying Agent with the applicable US federal income tax certifications (generally, a United States Internal Revenue Service Form W-9 (or successor applicable form)) in the case of a person that is a "**United States person**" within the meaning of Section 7701(a)(30) of the Code or an applicable United States Internal Revenue Service Form W-8 (or successor applicable form) in the case of a person that is not a "**United States person**" within the meaning of Section 7701(a)(30) of the Code) may result in US federal back-up withholding from payments in respect of such Note.

The purchaser acknowledges that the Issuer, the Guarantor, the Registrar, the US Registrar, the Paying Agents, the Transfer Agent and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

GENERAL INFORMATION**1. Authorisation**

The Issuer and the Guarantor have all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The establishment of the Programme was authorised pursuant to a resolution of the Board of Directors of the Issuer dated 11 November 2010. Each of the Issuer and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantee relating to them.

2. Legal and Arbitration Proceedings

Neither the Issuer nor the Guarantor is involved in any governmental, legal or arbitration proceedings (including those proceedings which are threatened or pending of which the Issuer or Guarantor is aware) during the 12-month period ending on the date of this Base Prospectus, which may have, or have had in the past, significant effects on the financial position or profitability of the Issuer or the Guarantor and its consolidated subsidiaries.

3. Significant/Material Change

Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2009, the date of the last audited financial statements. There has been no significant change in the financial trading position of the Issuer since the publication of the half-yearly financial statements of the Issuer on 30 June 2010.

Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Guarantor since 31 December 2009, the date of the last audited financial statements or the Guarantor and its consolidated subsidiaries. There has been no significant change in the financial trading position of the Guarantor since the publication of the half yearly financial statements of the Guarantor and its consolidated subsidiaries on 30 June 2010.

4. Legend

Each Note will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

5. Clearing of the Notes

Notes have been accepted for clearance through the Euroclear, Clearstream, Luxembourg and DTC systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and the CUSIP in relation to the Notes of each Series will be specified in the relevant Final Terms and/or Drawdown Prospectus (as applicable). The relevant Final Terms and/or Drawdown Prospectus (as applicable) shall also specify any other clearing system as shall have accepted the relevant Notes for clearance together with any appropriate further information.

6. Issue Price and Post-Issuance Information

The issue price and the amount of the relevant Notes and the issue price will be determined, before filing of the relevant Final Terms and/or Drawdown Prospectus (as applicable) of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes or the applicable Shares.

7. Material Interest

So far as the Issuer is aware, no person involved in the establishment of the Programme or the issue of Notes pursuant to the Programme has an interest material to the issue of Notes under the Programme.

8. Material Contracts

There are no contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Issuer or the Guarantor which are, or may be, material and contain provisions under which the Issuer or Guarantor or the Group has an obligation or entitlement which is, or may be, material to the ability of the Issuer or the Guarantor to meet its obligations in respect of the Notes.

9. Documents on Display

Copies of the following documents may be inspected in physical or electronic form at the registered offices of the Issuer and the Guarantor for so long as the Programme and this Base Prospectus remain in effect or any Notes shall be outstanding during normal business hours on any business day (except Fridays, Saturdays, Sundays and legal holidays):

- (i) the Memorandum and Articles of Association of the Issuer;
- (ii) the Articles of Association of the Guarantor;
- (iii) the Deed of Guarantee;
- (iv) the Deed of Covenant;
- (v) the Base Prospectus and any Supplement to the Base Prospectus or further Prospectus;
- (vi) the documents incorporated by reference in this Base Prospectus; and
- (vii) the reviewed interim financial statements for the six-month period ending 30 June 2010.

10. Auditors

The financial statements of the Guarantor have been audited for the year ended 31 December 2009 by KPMG Hazem Hassan who have given, and have not withdrawn, their consent to the incorporation by reference of their report in this Base Prospectus in the form and context in which it is included. The auditors' report for the year ended 31 December 2009 was qualified in respect of revenues and shareholders' equity, representing the Guarantor's share in the net profit. Such revenues were based on accounts which have not been audited.

The financial statements of the Issuer in respect of the year ended 31 December 2009 has been audited without qualification by KPMG UAE who have given, and have not withdrawn, their consent to the incorporation by reference of their report in this Base Prospectus in the form and context in which it is included.

11. Listing Agents

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

INDEX OF DEFINED TERMS

	Page
£.....	3
accrued OID	100
Additional Amount.....	34, 47
Additional Amount Period	47
affiliate	106
Affiliate	48
Agency Agreement.....	29, 47, 64
Agents.....	29, 47
Aggregate Number of Shares	48
Applicable Exchange Rate	34, 48
applicable Final Terms	28, 48
Applicable Payment.....	39
Authorised Person	114
Banking Day.....	48
Base Prospectus	i, 116
Bearer Notes	28, 48
Beneficiaries.....	64
Beneficiary	64
benefit plan investor	105, 106
benefit plan investors.....	105
Benefit Plan Investors.....	106
Business Day	48
Buy-back Order	63
Calculation Agent.....	47
Calculation Agent(s).....	29
Calculation Amount.....	48
Capital Market Authority	12, 39, 48, 114
Cash Amount.....	34
CFTC.....	108

Clearance System	48
Clearstream, Luxembourg	i, 30, 48
CMA Resolution.....	23, 114
Code	42, 48, 121, 125
Commission(s).....	48
comparable yield	100
Condition	56
Conditions	28, 48
control.....	106
Controlling Person.....	106
Costs	48
Coupon	40, 49
CPDIs	98
Cut-off Date.....	40, 49
D Rules	109
Dealer Agreement.....	64
Deed of Covenant	29, 49, 64
Deed of Guarantee	29, 49
Director.....	72
Directors	72
disqualified person.....	105
disqualified persons	105
Drawdown Prospectus	49, 64
DTC	i, 49, 120
Early Redemption Amount.....	35, 49
EFG-Hermes Group.....	20
EGP	82
employee benefit plan.....	105
EMTA.....	22
equity interest	105
ERISA	42, 49, 105, 121, 125
Euroclear	i, 30, 49

Event of Default	43, 49
Exchange	49
Exchange Act	3
Exchange Agent	29, 47
Exchange Business Day	49
Exchange Date.....	30, 49
Exchange Disruption	49
Exchange Event.....	31, 49
Final Redemption Amount	35, 49
Final Sale Price.....	49
Final Terms.....	i, 28
first currency.....	69
Fiscal Agent.....	29, 47
foreign currency	103
FSA Rules	2
FSMA	2
FX Disruption Condition.....	40, 49
FX Disruption Determination Date	39
General Terms and Conditions	28, 56
General Terms and Conditions	49
Global Certificate	ii
Global Certificates.....	28, 49
Global Note	i, 28, 49
Guarantor.....	i, 7, 28, 49, 64, 114
Harris Trust.....	106
Hedge Counterparty.....	49
Hedge Position	49
Hedge Proceeds	50
holder(s)	29, 50
Hypothetical Investor	50
IFRS	90
Initial Fixing Date	50

Initial Price	50
Intermediate Currency	40, 50
Investment Company Act	ii, 2, 50, 119, 124
Irish Prospectus Regulations	i
Irish Stock Exchange	i, 64
IRS	98
IRS Agreement	33
Issue Date	50
Issue Price	50
Issuer	i, 7, 28, 50, 55, 58, 64, 114
Issuer Group	123
look-through rule	105
Market Disruption Event	50
Maturity Date	50
MENA Region	82
Merger Date	50
Merger Event	50
MiFID	i
net cash dividend	34
New US Tax Law	33
Non-exempt Offer	111
Non-Permitted Holder	25, 32
Noteholder(s)	29, 51
Notes	i, 51, 64, 114
Notes Linked to Saudi Shares	19
Number of Notes	51
Number of Shares per Note	34, 35, 51
OID	100
operating company	105
Original Guarantee	64
Outstanding Notes	65
Outstanding Number of Notes	51

Paid Amount.....	34, 51
parties in interest	105
party in interest.....	105
Paying Agents.....	29
Payment Day	51
Permanent Global Note	i, 29, 51
PFIC	98, 116
Phantom Income.....	95
plan	105
plan assets.....	105, 106
Plan Assets	107
Plan Assets Regulation	105, 107
Plans	105
portfolio interest exemption.....	97
Potential Adjustment Event.....	51
Programme	i, 28, 52, 64
Prospectus Directive.....	i, 56
PTCE 95-60.....	106
publicly-offered security	105
QIB	ii, 2, 52, 116, 118
QIB/QP.....	52
QP.....	ii, 2, 52, 116, 118, 119
Qualified Institutional Buyer.....	52, 124
Qualified Purchaser	52, 124
Recalcitrant Holder.....	33
Record Date.....	34, 52
Redemption Exchange Rate.....	52
Reference Currency(ies).....	40, 52
Reference Jurisdiction	52
Register.....	31, 52
Registered Notes.....	28, 52
Registrar	29, 47

Regulation S	ii, 52, 116
Regulation S Definitive Certificate	ii
Regulation S Global Certificate.....	i, 8, 28, 52
Regulation S Global Certificates	8
Regulation S Notes.....	ii, 52, 116
Regulations.....	32
Related Exchange(s).....	52
Relevant Date	43
relevant Final Terms.....	28, 48
Relevant Implementation Date	110
Relevant Member State	110
RSA	1
Rule 144A.....	ii, 52, 118
Rule 144A Definitive Certificate.....	ii
Rule 144A Global Certificate.....	i, 8, 28, 52
Rule 144A Global Certificates	8
Rule 144A Notes	ii, 52, 116
Saudi Shares	114
Scheduled Closing Time.....	52
Scheduled Maturity Date.....	53
Scheduled Trading Day	53
Scheduled Valuation Date	53, 54
SEC.....	24
second currency.....	69
Securities Act	ii, 2, 53, 115, 119, 124
Series	9, 28, 53
Settlement Currency	40, 53
SHAMAL.....	i
Share.....	53
Share Issuer	53
Share Price.....	53
Shares	53

significant	105
Sterling	3
TARGET2 System	53
Taxation	53
Temporary Global Note.....	i, 29, 53
Tender Offer	53
Tender Offer Date.....	53
Terms and Conditions.....	26, 97
Trading Disruption	53
Tranche.....	28, 54
Transfer Agent.....	29, 47
United States person	123, 127
United States Person.....	121, 126
US business	96
US Dollars	3
US Holder.....	95
US Paying Agent.....	29, 47
US person	ii
US Person.....	ii, 54
US Registrar	29
US Source Income.....	33, 54
US\$.....	3
USD.....	3
Valuation Date.....	54
Valuation Period.....	54
Valuation Period End Date.....	54
Weighted Average Sale Price per Share	35

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Guarantor

EFG-Hermes Holding S.A.E.

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6 October 12577, Egypt

Dealer

Financial Brokerage Group

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6 October 12577, Egypt

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