



KUWAIT PROJECTS CO SPC LIMITED

(incorporated as a special purpose company with limited liability in the Dubai International Financial Centre)

guaranteed by

KUWAIT PROJECTS COMPANY (HOLDING) K.S.C.P.

(incorporated with limited liability in the State of Kuwait)

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

Euro Medium Term Note Programme

Under this U.S.\$3,000,000,000 Euro Medium Term Note Programme (the "**Programme**"), Kuwait Projects Co SPC Limited (the "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by Kuwait Projects Company (Holding) K.S.C.P. ("**KIPCO**", the "**Company**" or the "**Guarantor**"). As at the date of this Offering Circular, Kuwait Projects Co. (Cayman), which was previously the issuer of Notes under the Programme, has been substituted by the Issuer as the issuer of Notes under the Programme.

Notes may be issued in bearer or registered form (respectively, "**Bearer Notes**" and "**Registered Notes**"). The maximum aggregate principal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement described herein), subject to increase as described herein.

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

An investment in Notes issued under the Programme involves certain risks. For a discussion of the principal risk factors that may affect the ability of the Issuer and the Guarantor to fulfil their respective obligations under the Notes, see "Risk Factors" beginning on page 1.

Application has been made to the London Stock Exchange plc (the "**London Stock Exchange**") for the Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the International Securities Market ("**ISM**") of the London Stock Exchange. The ISM is not a United Kingdom ("**UK**") regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") ("**UK MiFIR**").

The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the UK Financial Conduct Authority (the "FCA"). The London Stock Exchange has not approved or verified the contents of this Offering Circular.

References in this Offering Circular to Notes being "admitted to trading" (and all related references) shall mean that such Notes have been admitted to trading on the ISM so far as the context permits. The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s) (which, for the avoidance of doubt, shall exclude a regulated market for the purposes of Directive 2014/65/EU (as amended) ("**MiFID II**") and a UK regulated market for the purposes of UK MiFIR). The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. The applicable pricing supplement (the "**Pricing Supplement**") relating to the relevant Tranche (as defined herein) will state whether the relevant Notes will be listed and/or admitted to trading on any market.

Notice of the aggregate principal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined in "*Terms and Conditions of the Notes*") of Notes will be set out in the Pricing Supplement which will be delivered to the London Stock Exchange.

The Programme has been assigned ratings of BB- by S&P Global Ratings Europe Limited ("**Standard & Poor's**") and Ba2 by Moody's Deutschland GmbH ("**Moody's**"). The Guarantor has been assigned a long term rating and a short term rating of BB- and B respectively by Standard & Poor's on credit watch with negative implications and long term rating of Ba2 by Moody's with a negative outlook. Each of Standard & Poor's and Moody's is established in the European Union ("**EU**") and is registered under Regulation (EC) No. 1060/2009, as amended (the "**EU CRA Regulation**"). Accordingly, each of Standard & Poor's and Moody's appear on the latest update of the list of registered credit rating agencies on the European Securities and Markets Authority ("**ESMA**") website at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> in accordance with the EU CRA Regulation. Each of Standard & Poor's and Moody's is not established in the United Kingdom and has not applied for registration under the Regulation (EC) No. 1060/2009, as amended, as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Accordingly, the ratings issued by Standard & Poor's and Moody's have been endorsed by S&P Global Ratings UK Limited and Moody's Investors Service Ltd, respectively, in accordance with the UK CRA Regulation, each of which is established in the UK and is registered under the UK CRA Regulation.

The rating of certain Tranches (as defined herein) of Notes to be issued under the Programme and the credit rating agency issuing such rating may be specified in the relevant Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger
HSBC

Dealers

Emirates NBD Capital
HSBC
Kamco Invest

Standard Chartered Bank

First Abu Dhabi Bank PJSC
J.P. Morgan
Mashreqbank psc

The date of this Offering Circular is 4 October 2022

IMPORTANT NOTICES

The Issuer and the Guarantor accept responsibility for the information contained in this Offering Circular and the Pricing Supplement for each Tranche of Notes issued under the Programme. The Issuer and the Guarantor declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Where information has been sourced from a third party, the Issuer and the Guarantor confirm that such information has been accurately reproduced and that, so far as they are aware and are able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third party information contained in this Offering Circular is stated where such information appears in this Offering Circular.

This Offering Circular does not constitute a prospectus for the purposes of a listing or an admission to trading on any market in the UK which has been designated as a regulated market for the purposes of UK MiFIR and has not been approved by the FCA pursuant to the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019. The ISM is not a UK regulated market for the purposes of UK MiFIR.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as supplemented by a document specific to such Tranche called the pricing supplement (the "**Pricing Supplement**") as described under "*Pricing Supplement*" below. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Pricing Supplement, must be read and construed together with the relevant Pricing Supplement.

Tranches (as defined herein) of Notes may be rated or unrated. Such rating will be specified in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Please also refer to "*Risks related to the market generally – Credit ratings may not reflect all risks*" in the Risk Factors section of the Offering Circular.

Subject as provided in the applicable Pricing Supplement, the only person authorised to use this Offering Circular in connection with an offer of Notes is the person named in the Pricing Supplement as the relevant Dealer or Manager, as the case may be.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme or any information supplied by the Issuer or the Guarantor and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Arranger or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Offering Circular and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Circular or any responsibility for any acts or omissions of the Issuer, the Guarantor or any other person (other than the relevant Dealer) in connection with the Offering Circular or the issue and offering of Notes. Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or the Guarantor since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. The Issuer, the Guarantor, the Dealers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such

jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantor, the Dealers or the Trustee which is intended to permit a public offering of any Notes outside the UK or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Pricing Supplement comes are required by the Issuer, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Offering Circular or any Pricing Supplement and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States of America, the European Economic Area ("**EEA**"), the United Kingdom, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Bahrain, the State of Kuwait, the Kingdom of Saudi Arabia, the State of Qatar (including the Qatar Financial Centre) the People's Republic of China, Hong Kong and Singapore, see "*Subscription and Sale*". Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulations S under the Securities Act ("**Regulation S**")).

Neither this Offering Circular nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Guarantor, the Dealers or any of them that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Offering Circular or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor.

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed U.S.\$3,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement as defined under "*Subscription and Sale*")). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall investment portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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

The Dealers will not regard any actual or prospective holders of Notes (whether or not a recipient of this Offering Circular and/or the relevant Pricing Supplement) as their client in relation to the offering described in this Offering Circular and/or the relevant Pricing Supplement and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for providing the services in relation to the offering described in this Offering Circular and/or the relevant Pricing Supplement or any transaction or arrangement referred to herein or therein.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Notes includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article

4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS

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

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE

In connection with Section 309B(1) of the Securities and Futures Act (2020 Revised Edition) of Singapore (as modified or amended from time to time, the "**SFA**"), unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore).

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

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

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Offering Circular and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Circular. Prospective purchasers of Notes issued under the Programme should conduct their own due diligence on the accuracy of the information relating to the Notes. If you do not understand the contents of this Offering Circular, you should consult an authorised financial adviser.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

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

NOTICE RESIDENTS OF THE KINGDOM OF BAHRAIN

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

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

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

On 14 March 2022, KIPCO and Qurain Petrochemical Industries Company K.S.C.P. ("**QPIC**") reached a preliminary agreement to merge by amalgamation (the "**Merger**").

Historical financial statements relating to the Group

The financial statements relating to the Group and incorporated by reference in this Offering Circular are:

- KIPCO's unaudited condensed consolidated interim financial information as at and for the six-month period ended 30 June 2022 (the "**Interim Financial Information**");
- KIPCO's audited consolidated financial statements as at and for the year ended 31 December 2021 (the "**2021 Financial Statements**"); and
- KIPCO's audited consolidated financial statements as at and for the year ended 31 December 2020 (the "**2020 Financial Statements**" and, together with the 2021 Financial Statements, the "**Annual Financial Statements**").

The Interim Financial Information and the Annual Financial Statements are together referred to as the "**Financial Statements**".

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"). The Interim Financial Information has been prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*".

KIPCO's financial year ends on 31 December and references in this Offering Circular to "**2019**", "**2020**" and "**2021**" are to the 12 month period ending on 31 December in each such year.

Historical financial statements relating to QPIC

The financial statements relating to QPIC and incorporated by reference in this Offering Circular are:

- QPIC's unaudited interim condensed consolidated financial information as at and for the three months ended 30 June 2022, prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*";
- QPIC's unaudited interim condensed consolidated financial information as at and for the three month and nine month periods ended 31 December 2021, prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*"; and
- QPIC's audited consolidated financial statements as at and for the year ended 31 March 2022, prepared in accordance with IFRS (together, the "**QPIC Financial Information**").

Unaudited pro forma financial information

The financial information included in this Offering Circular also comprises the unaudited pro forma consolidated financial information for the six-month period ended 30 June 2022 (the "**Pro forma financial information**"), which has been prepared for illustrative purposes only and presents the combination of:

- (i) the consolidated statement of financial position as at 30 June 2022 for:
 - (a) KIPCO which has been derived from the Interim Financial Information; and
 - (b) QPIC, which has been derived from the QPIC Financial Information,
 on the basis that the Merger had already been completed as at 30 June 2022; and
- (ii) the consolidated income statement for the six-month period ended 30 June 2022 for:
 - (a) KIPCO which has been derived from the Interim Financial Information; and
 - (b) QPIC, which has been derived from the QPIC Financial Information.
 on the basis that the Merger had taken place as at 1 January 2022.

The Pro forma financial information does not purport to project the results of operations of KIPCO and QPIC (together referred to as the "**Merged Group**") for any future period and it also does not reflect the impact of any potential synergies deriving from the Merger. The Pro forma financial information also does not include any additional costs that might arise as a result of the Merger.

Restatements of Group financial information

Restatements in 2020

During 2020, one of the Group's entities completed its assessment for "right of use asset" and "lease liability" in accordance with IFRS 16 for 2019. This was accounted for retrospectively in the 2020 Financial Statements in accordance with IAS 8: "*Accounting policies, changes in accounting estimates. Adjustments*" and other restatements were made to the comparative financial statement which resulted in an increase in 'loans and advances' by KD 112.1 million, an increase in 'other assets' by KD 57.0 million, an increase in 'investment in associates' by KD 1.3 million, a decrease in 'deposits from customers' by KD 67.3 million, an increase in 'other liabilities' by KD 240.0 million, a decrease in 'retained earnings' by KD 1.4 million and a decrease in 'non-controlling interest' by KD 1 million as at 31 December 2019. Further, adjustments made to the comparative financial information as at 1 January 2019 due to IFRS 16 resulted in an increase in 'other assets' and 'other liabilities' by KD 64.2 million as at 31 December 2019.

The restatement also resulted in an increase in 'interest expense' by KD 2.2 million, a decrease in 'media and digital satellite network services expenses' by KD 882 thousand, an increase in 'general and administrative expenses' by KD 400 thousand, an increase in 'Provision for credit losses' by KD 611 thousand, a decrease in profit attributable to the equity holders of the parent by KD 1.4 million and a decrease in 'non-controlling interest' by KD 950 thousand in the consolidated income statement for the year ended 31 December 2019.

As at 31 December 2019, Panther Media Group Limited ("**PMG**") was classified as "Assets held for sale" in accordance with IFRS 5: "*Non-Current assets held for sale and discontinued operations*". During the

prior year, a dispute arose between the shareholders of PMG over the ownership of certain shares issued in connection with capital calls made by the board of PMG in which the Group participated. This dispute was finally resolved in March 2020 by an arbitration panel. As a result of this and contributions to further capital calls, the Group's effective ownership in PMG increased from 60.5 per cent. to 87.6 per cent. In view of these developments, KIPCO's management concluded that it was able to exercise control over PMG and it became a subsidiary of the Group in March 2020. In addition, KIPCO's board of directors determined that the Group's investment in PMG no longer met the criteria of IFRS 5. Accordingly, in accordance with IAS 28: "Investment in Associates and Joint Ventures", the investment in PMG was retrospectively accounted using the equity method from the date of PMG's classification as "Assets held for sale" (8 August 2018). The effect of this restatement on the comparative consolidated financial information for 2019 in the 2020 Financial Statements is shown in the table below.

	31 December 2019	
	Previously reported	Restated
	(KD million)	
Assets held for sale.....	210.9	–
Share of results of media joint venture	–	(68.0)
Investment in media joint venture(1).....	–	125.0

Note:

- (1) The carrying value was also impacted by KD 17.9 million representing the share of loss recorded in retained earnings as at 1 January 2019.

Restatements in 2021

In the 2021 Financial Statements, certain comparative financial information for 2020 was restated to reflect the finalisation of the purchase price allocation ("PPA") exercise following its consolidation of PMG in March 2020.

The table below shows the effect of the restatement.

	As reported in the 2020 Financial Statements	PPA adjustments (KD million)	Restated in the 2021 Financial Statements
Assets			
Intangible assets	606.5	0.9	607.3
Equity			
Other reserve	(21.4)	0.7	(20.7)
Retained earnings	27.3	(5.4)	21.8
Non-controlling interest	538.6	5.6	544.2
Consolidated income statement			
Depreciation and amortization	23.3	6.1	29.4
Non-controlling interest	2.2	(0.7)	1.4

Reflecting the above factors, all Group-specific financial information in this Offering Circular for 2021 and 2020 has been derived from the 2021 Financial Statements and for 2019 has been derived from the 2020 Financial Statements.

Auditors and unaudited information

The 2021 Financial Statements have been audited by RSM Albazie & Co., independent auditors ("RSM"), in accordance with International Standards on Auditing, who issued an unqualified report on the 2021 Financial Statements. The 2020 Financial Statements have been jointly audited by RSM and Ernst & Young (Al Aiban, Al Osaimi & Partners) ("EY"), independent auditors, in accordance with International Standards on Auditing, who issued a joint unqualified report on the 2020 Financial Statements. The Interim Financial Information has been reviewed by RSM in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", who issued an unqualified report on the Interim Financial Information.

QPIC's audited consolidated financial statements as at and for the year ended 31 March 2022 have been audited by EY in accordance with International Standards on Auditing, who issued an unqualified report on those financial statements. QPIC's unaudited interim condensed consolidated financial information as

at and for the three month period ended 30 June 2022 and as at and for the three month and nine month periods ended 31 December 2021 have each been reviewed by EY in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", who, in each case, issued an unqualified report on the financial information.

All information in this Offering Circular as at, or for the six-month periods ended, 30 June 2022 and 30 June 2021 is unaudited. In addition the Pro forma financial information is unaudited and the information under the heading "*Financial Summary of the Group – Additional financial information relating to KIPCO*" is unaudited.

Certain non-IFRS financial information

This Offering Circular includes certain financial information which has not been prepared in accordance with IFRS and which also constitutes alternative performance measures for the purposes of the ESMA Guidelines on Alternative Performance Measures ("**APMs**"). None of this financial information is subject to any audit or review by independent auditors.

The APMs included in this Offering Circular are (i) return on average assets, (ii) listed asset coverage ratio and (iii) cash interest coverage ratio. Each of these APMs appears in "*Financial Summary of the Group*" and is defined and, where relevant, reconciled where used in that section. In addition, each of listed asset coverage ratio and cash interest coverage ratio also appears in "*Unaudited Pro Forma Condensed Consolidated Financial Information – Other pro forma financial information*" and are defined and reconciled in that section.

These APMs are not measures of financial performance under IFRS. KIPCO believes that the presentation of these APMs is helpful to investors because these and other similar measures are widely used by certain investors, security analysts and other interested parties as supplemental measures of performance and liquidity. However, these APMs should not be considered in isolation or as a substitute for operating profit, cash flow from operating activities or other financial measures of the Group's results of operations or liquidity computed in accordance with IFRS. Other companies, including those similar in nature to the Group, may calculate these APMs differently from the Group. As all companies do not calculate these APMs in the same manner, the Group's presentation of these APMs may not be comparable to other similarly titled measures of other companies.

Presentation of Other Information

Currencies

Unless otherwise indicated, in this Offering Circular, all references to:

- "**KD**" are to the lawful currency of the State of Kuwait;
- "**JOD**" are to the lawful currency of the Hashemite Kingdom of Jordan;
- "**SAR**" are to the lawful currency of the Kingdom of Saudi Arabia; and
- "**U.S. dollars**" and "**U.S.\$**" are to the lawful currency of the United States.

In addition, in this Offering Circular, unless otherwise specified, references to "**EUR**" or "**euro**" are to the single currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended, and references to "**Renminbi**" and "**CNY**" are to the lawful currency of the People's Republic of China (the "**PRC**" or "**China**"), excluding, for the purposes of this Offering Circular, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

Unless otherwise indicated, the financial information contained in this Offering Circular has been expressed in KD. The Group's functional currency is KD and the Group prepares its financial statements in KD.

Translations of amounts from any currency to U.S. dollars are solely for the convenience of the reader. No representation is made that the currency amounts referred to herein could have been converted into U.S. dollars at any particular exchange rate or at all.

Third party and market share data

This Offering Circular contains information regarding the Group's business and the industry in which it operates and competes, which the Group has obtained from third party sources. Where third party information has been used in this Offering Circular, the source of such information has been identified.

In some cases, independently determined industry data is not available. In these cases, any Group market share data included in this Offering Circular is referred to as having been estimated. All such estimates have been made by the Group using its own information and other market information which is publicly available. KIPCO believes that these estimates of market share are helpful as they give prospective investors a better understanding of the industries in which the Group operates as well as its position within those industries. Although all such estimations have been made in good faith based on the information available and the Group's knowledge of the markets within which it operates, KIPCO cannot guarantee that a third party expert using different methods would reach the same conclusions.

Statistical information included in this Offering Circular has been derived from official public sources, including the International Monetary Fund ("**IMF**") and the Organisation of Petroleum Exporting Countries ("**OPEC**"). All such statistical information may differ from that stated in other sources for a variety of reasons, including the use of different definitions and cut-off times. This data may subsequently be revised as new data becomes available and any such revised data will not be circulated by the Group to investors. Where information has not been independently sourced, it is the Group's own information.

No incorporation of website information

KIPCO's website is www.kipco.com. QPIC's website is www.qpic-kw.com. The information on these websites or any other website mentioned in this Offering Circular or any website directly or indirectly linked to these websites has not been verified and is not incorporated by reference into this Offering Circular, and investors should not rely on it.

Definitions

In this Offering Circular:

- "**Kuwait**" means the State of Kuwait;
- "**GCC**" means the Gulf Cooperation Council (comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE);
- "**Government**" means the government of Kuwait; and
- "**MENA region**" means the region comprising the Middle East and North Africa.

Rounding

The Financial Statements present the Group's results in thousands of KD. Certain financial statement data in this Offering Circular has been expressed in millions of KD, with 0.50 being round up and 0.49 being rounded down. As a result of such rounding, the totals of financial statement data presented in tables in this Offering Circular may vary slightly from the arithmetic totals of such data. Where used in tables, the figure "**0**" means that the data for the relevant item has been rounded to zero and the symbol " – " means that there is no data in respect of the relevant item.

In addition, all percentage data in this Offering Circular has been rounded to one decimal place, with 0.050 being round up and 0.049 being rounded down.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains certain forward-looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "estimate", "project", "will", "would", "may", "could", "continue" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this Offering Circular, including, without limitation, those regarding the financial position, business strategy, management plans and objectives for future operations of the Guarantor are forward looking statements. These forward-looking statements involve

known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward looking statements are based on numerous assumptions regarding present and future business strategies and the environment in which the Guarantor expects to operate in the future. Important factors that could cause actual results, performance or achievements to differ materially from those in the forward looking statements include, among other factors described in this Offering Circular:

- the Guarantor's ability to receive distributions and other revenue flows from its investments (including its subsidiaries);
- the Guarantor's ability to obtain and maintain sufficient capital to fund its current and future investments and financial obligations, including the Guarantor's ability to obtain external financing;
- the Guarantor's ability to manage the growth of the Group successfully;
- changes in political, social, legal or economic conditions in the markets that affect the Group and the value of the Group's investments;
- the political and economic conditions in the State of Kuwait and the Middle East and North Africa ("MENA") region; and
- changes in the competitive environment in which the Group operate.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*". Any forward-looking statements made by or on behalf of the Issuer or the Guarantor speak only as at the date they are made. Neither the Issuer nor the Guarantor undertakes to update forward-looking statements to reflect any changes in their expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

STABILISATION

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s)) in accordance with all applicable laws and rules.

BENCHMARKS REGULATION

Amounts payable on Floating Rate Notes will be calculated by reference to any of EIBOR, EURIBOR, HIBOR, KIBOR, KLIBOR, SIBOR, SAIBOR, SHIBOR, TIBOR, TRLIBOR or TRYLIBOR, SOFR, SONIA and €STR as specified in the relevant Pricing Supplement. As at the date of this Offering Circular, the administrators of EURIBOR and SIBOR appear on the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**"). As at the date of this Offering Circular, (a) the administrators of the aforementioned reference rates (other EURIBOR and SIBOR) (or, as the case may be, any successor provider) do not appear and (b) the administrators of EURIBOR and SIBOR appear on the FCA's register of administrators and benchmarks under the UK Benchmarks Regulation. As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmarks Regulation apply, such that the administrators are not currently required to obtain authorisation or registration (or, if located outside the UK, recognition, endorsement or equivalence).

CONTENTS

	Page
RISK FACTORS	1
OVERVIEW OF THE PROGRAMME	30
DOCUMENTS INCORPORATED BY REFERENCE	35
PRICING SUPPLEMENT	37
FORMS OF THE NOTES	38
TERMS AND CONDITIONS OF THE NOTES	42
FORM OF PRICING SUPPLEMENT	89
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM	101
USE OF PROCEEDS	105
DESCRIPTION OF THE ISSUER.....	106
DESCRIPTION OF KIPCO AND THE GROUP	107
FINANCIAL SUMMARY OF THE GROUP.....	130
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION	137
MANAGEMENT	142
TAXATION	146
SUBSCRIPTION AND SALE	149
GENERAL INFORMATION	155

RISK FACTORS

Prospective investors should read the entire Offering Circular. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this section.

Any investment in Notes issued under the Programme is subject to a number of risks and uncertainties, including all those described below. Prospective investors should consider these carefully, together with all of the other information that is included in this Offering Circular, and should form their own view before making a decision with respect to an investment in any Notes. The risks and uncertainties described below may, if any materialise, have an adverse impact on the Group's business, results of operations, financial condition and prospects as described in each risk below. In such a case, the ability of the Guarantor and the Issuer to make payments in respect of the Notes could be adversely affected, the trading price of any Notes issued under the Programme could decline and an investor could lose part or all of its investment.

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and neither the Issuer nor the Guarantor represent that the statements below regarding the risks of holding any Notes are exhaustive. Most of the factors described below are contingencies which may or may not occur and neither the Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring. Additional risks and uncertainties not presently known to the Issuer or the Guarantor or that each of the Issuer or the Guarantor currently believes to be immaterial could also have a material adverse impact on the Issuer's or the Guarantor's business operations.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

The Issuer is not an operating company and has no material assets other than its loans to the Guarantor

The Issuer is not an operating company. The Issuer is a special purpose vehicle with no business other than issuing Notes under the Programme and lending the proceeds to the Guarantor.

The Issuer does not have any income except payments received from the Guarantor in respect of loans made by the Issuer to the Guarantor, which will be the only material source of funds available to the Issuer to meet the claims of the Noteholders.

In the absence of sufficient repayment of any such loan made by the Issuer to the Guarantor, the Issuer's ability to pay principal and interest and other amounts on Notes issued under the Programme will depend on the Guarantor's ability to obtain additional external financing. As a result, the Issuer is subject to all the risks to which the Guarantor is subject, to the extent that such risks could limit the Guarantor's ability to satisfy in full and on a timely basis its obligations to the Issuer under any such loans. These risks are described below.

Factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee of the Notes

Economic risks

The Group is exposed to adverse changes in macro-economic and financial market conditions, including the material and adverse effects of COVID-19, the possibility of future outbreaks of the virus, current macroeconomic uncertainties driven by the conflict between Russia and Ukraine and significant fluctuations in oil and gas prices

The Group, in particular through its financial institution subsidiaries including Burgan Bank K.P.S.C. ("**Burgan Bank**") and Jordan Kuwait Bank PLC ("**JKB**"), is impacted by changes in the macro-economic environment and the performance of financial markets generally.

Kuwait's economy was adversely affected in 2020, principally as a result of low oil prices and the lockdowns and business closure measures put in place to address the COVID-19 pandemic. According to Kuwait's Central Statistical Bureau (the "CSB"), Kuwait's real GDP grew by 2.4 per cent. in 2018 and then fell by 0.6 per cent. in 2019 and 8.9 per cent. in 2020. According to data published by the Kuwait Ministry of Finance, the fiscal deficit in Kuwait was 33.2 per cent. of GDP in the fiscal year ended 31 March 2021 compared to 9.5 per cent. of GDP in the fiscal year ended 31 March 2020 and 3.1 per cent. of GDP in the fiscal year ended 31 March 2019. Within the banking sector, borrowing costs, which increased in 2018 as the CBK raised its benchmark interest rate by 0.25 per cent. to 3.0 per cent., decreased in October 2019 as the CBK cut its benchmark interest rate by 0.25 per cent. to 2.75 per cent. On 4 March 2020, the CBK lowered its benchmark interest rate by 25 basis points to 2.50 per cent. followed by another decrease on 16 March 2020 of 100 basis points resulting in a benchmark interest rate of 1.50 per cent. However, in response to rising global inflationary pressures, the CBK increased its benchmark interest rate by 0.25 per cent. in each of March 2022, April 2022, June 2022, July 2022 and August 2022, resulting in a current benchmark interest rate of 2.75 per cent.

Certain of the Group's businesses, including Burgan Bank and JKB, were negatively impacted by the COVID-19 pandemic. There remains a risk of recurring outbreaks of the virus and possible future mutations in the virus may also prove difficult to contain. For example, many countries in Europe re-introduced full or partial lockdowns in late 2020 and early 2021 in order to stem the "second wave" of higher infection rates. Further, in response to the identification of the more easily transmissible omicron variant, some countries introduced lockdowns and border closures in late 2021 and, in particular, Kuwait introduced a temporary ban on all types of social gatherings held in indoor venues from 9 January 2022 to 28 February 2022. The extent to which the COVID-19 pandemic impacts the Group's business, results of operations, and financial condition, as well as the regulatory capital and liquidity ratios of the Group's financial institution investees, will depend on future developments, which are highly uncertain and cannot be predicted. Any material change in the financial markets, the Kuwaiti economy or the global economy as a result of recurring outbreaks or future mutations in the COVID-19 virus may have an adverse effect on the Group's business, results of operations and financial condition. It should be noted that the impact of COVID-19, including actions taken to contain it, might heighten many of the other risks noted within these risk factors, including through increasing both the probability of negative impact as well as the severity of such impact.

The global markets and macroeconomic environment are also currently impacted by the war between Russia and Ukraine and geopolitical tensions between Russia and other developed economies. The Russian invasion of Ukraine has impacted international trade flows and has led to supply shortages of goods exported by both Russia and Ukraine, leading to wide-spread increases in inflation rates and demand and supply shifts between economies. To counter the increased threat of inflation, central banks around the world have increased interest rates, which is likely to reduce consumer spending leading to reduced demand for certain goods and services and has increased the cost of borrowing in the financial markets which may negatively impact corporate profitability, especially in sectors such as hospitality and financial services in which a number of the Group's investees operate.

Oil and gas are increasingly being regarded as damaging sources of energy from an environmental point of view, and binding carbon emission restrictions are being contemplated. Environmental activism has resulted in increased demand for alternative cleaner energy sources. Should oil demand reduce considerably over the medium term resulting in low oil prices, the economies of oil producing countries in the MENA region, including Kuwait, would be severely adversely affected.

In addition, a material adverse change in one or more other macro-economic factors, such as a disruption of global money markets, interest rates, wage levels, unemployment, foreign investment and international trade, could have an adverse impact on certain aspects of the Group's operations.

Although the Guarantor's performance is not directly impacted by changes in the macro-economic environment, these changes are likely to have an impact on the performance of the Group as the Group's operations are mainly concentrated in Kuwait and the MENA region and its most material companies operate in the financial services sector which is particular sensitive to changes in the economic environment. In addition, an increasing interest rates environment could adversely affect the Guarantor's and the Group's ability to access funds on commercially acceptable terms or at all and thereby impact the Group's continued expansion and growth and could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to the Merger

Whether or not the Merger is completed, the announcement of the Merger could disrupt the Group's business and have an adverse effect on its financial results

Whether or not the Merger is completed, the announcement of the Merger could disrupt the Group's business. Specifically:

- management attention may be diverted towards finalising the Merger;
- current and prospective employees of the merging entities may experience uncertainty about their future roles, which could adversely affect the retention and recruitment of key managers and other employees; and
- existing and prospective clients and customers may choose not to do business with the merging entities until such time as the Merger is implemented or the anticipated benefits of the Merger have been realised.

Regulatory authorities may delay or prevent the Merger taking place, which may diminish or eliminate the anticipated benefits of the Merger

The Merger is subject to certain risks and uncertainties, including the inability of the Guarantor and QPIC to obtain the necessary resolutions, approvals and consents (regulatory, governmental or otherwise) required to complete the Merger. Any delay in obtaining the required approvals may also postpone the execution of the Merger, which the Guarantor currently expects to take place during October 2022. The Merger requires the receipt of consents and approvals from various regulatory authorities in Kuwait. Although the Guarantor intends to pursue vigorously all required regulatory consents and approvals, and although it is not aware of any reason why it would not be able to obtain the necessary consents and approvals in a timely manner, these consents and approvals may be delayed, potentially significantly, or not be granted. Any significant delay or failure in implementing the Merger as currently planned could result in the Guarantor incurring additional costs related to the Merger and failing to realise some or all of the anticipated benefits of the Merger.

The Guarantor may experience difficulties in integrating the existing businesses carried on by the merging companies

The Merger involves the integration of businesses that have previously operated independently. The potential difficulties of combining the businesses include:

- the co-ordination and consolidation of management functions, organisations and systems;
- addressing differences in the business cultures of the merging companies and integrating personnel while maintaining employee morale and retaining key employees;
- accurately evaluating the contractual, financial, regulatory, environmental and other obligations and liabilities associated with the merging businesses, including the appropriate implementation of financial oversight and internal controls and the timely preparation of financial statements that are in conformity with the Guarantor's accounting policies; and
- accurately judging market dynamics, demographics, growth potential and the competitive environment (including evaluating and managing the risks and uncertainties in entering new markets and acquiring new businesses).

The process of integrating operations may present financial, managerial and operational risks, including an interruption of, or loss of momentum in, the activities of one or more of the Guarantor's existing or acquired businesses and the loss of key personnel. The diversion of management attention of the merging businesses and any delays or difficulties encountered in connection with the Merger and the integration of the operations of the merging businesses could have an adverse effect on the business, results of operations, financial condition or prospects of the Group after the Merger. Moreover, if management is unable to integrate the operations of the merging businesses successfully, the anticipated benefits of the Merger may not be fully realised.

The Group may not achieve the synergies that it anticipates following the Merger

The Group may fail to achieve the synergies that it anticipates will arise from the Merger. The success of the Merger will depend, in part, on the Group's ability to realise anticipated cost savings and growth opportunities from integrating the merging businesses. The Group expects to benefit from synergies resulting from the consolidation of capabilities, rationalisation of operations and headcount, greater efficiencies from increased scale and market integration, and organic growth. In particular, the Group's ability to realise anticipated synergies and the timing of this realisation may be affected by a variety of factors, including but not limited to:

- its broad geographic areas of operations and the resulting complexity of integrating the merging businesses;
- the difficulty of implementing its cost savings plans;
- the integration process may prove to be more complex and time-consuming than expected, may require additional resources and effort and may disrupt each merging entity's ongoing businesses which may adversely affect relationships with customers, suppliers, partners, employees, regulators and others and may lead to a reduction or loss of the brand equity of the merging businesses; and
- unforeseeable events, including major changes in the markets in which the merging businesses operate.

If the cost savings that the Guarantor expects from the Merger are not realised or are delayed, the Group's results of operations could be adversely affected.

The Guarantor will incur legal, accounting and transaction fees and other costs related to the Merger. Some of these costs are payable irrespective of whether the Merger is completed, and such costs may be higher than anticipated. Therefore, there is a risk that all of the estimated savings will not be realised due to unforeseen inaccuracies in such estimates. There is also a risk that these cost savings are not realised in the time, manner or amounts currently expected, if at all, as a result of various external and internal factors.

In addition, if the Group fails to manage the integration of the merging businesses effectively, its growth strategy and future profitability could be negatively affected.

The Guarantor may experience difficulties in managing its exposure to new sectors following the completion of the Merger

Following the completion of the Merger, the Guarantor will be exposed to new industrial sectors including, the petrochemical and oil services, food and dairy, health and logistics sectors. The Guarantor's management may face challenges in managing and addressing the operational and governance risk factors pertaining to these additional sectors, particularly if key employees with experience of these sectors do not remain with the Group.

In addition, the Group's business will be exposed to the cyclical nature of the petrochemical industry, which experiences significant volatility in the prices of both raw materials and finished products, which may adversely impact the Group's business. Operations in the petrochemical business also intensify the Group's sensitivity towards existing and proposed regulations related to climate change and brings significant additional risks including those relating to compliance with environmental and health and safety regulation.

With the addition of a food and dairy business, the Group will face additional risks related to food safety and quality, contamination of food products, changing customer preferences and outbreak of animal diseases impacting its supply chain.

If any of these new risks should materialise after the Merger, the Group could incur significant additional costs and potential liability and its business, results of operations and financial condition could be materially adversely affected.

Financial risks

The indebtedness of the Guarantor and other Group companies could adversely affect their ability to raise additional capital to fund their operations and limit their ability to react to changes in the economy or the industries in which they operate

As at 30 June 2022, the Group had KD 1,893 million of outstanding debt, of which KD 677 million was indebtedness of the Guarantor. The Group and the Guarantor may incur additional indebtedness in the future, including, in the case of the Guarantor, through the issue of Notes under the Programme, to finance the growth of their respective businesses.

The indebtedness of the Guarantor and other Group companies may expose the indebted companies to a number of risks, including:

- increasing an indebted company's vulnerability to general economic and industry conditions;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on the indebted company's debt, thereby reducing its ability to use its cash flow to fund future business opportunities and to pay dividends;
- exposing the indebted company to the risk of increased interest rates with respect to its borrowings at variable rates of interest, unless the indebted company is able to fully hedge its interest rate exposure with respect to such borrowings and even if it does so it may then become subject to mark to market losses on those hedges;
- restricting the indebted company from making strategic acquisitions or causing it to make non-strategic divestitures;
- limiting the indebted company's ability to obtain additional financing for working capital, capital investment, product development, debt service, acquisitions and general corporate or other purposes;
- limiting the indebted company's ability to adjust to changing market conditions and place it at a competitive disadvantage compared to its competitors that are less highly leveraged; and
- the ratings currently assigned to the Guarantor being placed on credit watch or downgraded, which could increase the cost of refinancing any existing debt and could adversely affect the trading price of Notes issued under the Programme.

To the extent that any of these risks impact the Guarantor or a Principal Company, the Group's business could be materially adversely affected.

The Guarantor's ability to refinance its existing debt and raise new debt may be adversely impacted by conditions over which it has no control

The Guarantor relies on external borrowings to fund certain of its investments. These borrowings are primarily in the form of corporate bonds, Notes issued under the Programme and bank borrowings, which are refinanced on an on-going basis.

As at 30 June 2022, the Guarantor's debt was KD 677 million. The Guarantor's future ability to raise new debt and pay or refinance its existing and future obligations as they become due will depend not only on its financial condition and results of operations at the time but also on certain factors over which the Guarantor has no control such as:

- general political, economic and capital market conditions;
- the prevailing level of interest rates;
- credit availability from banks or other lenders;
- investor confidence in the Guarantor and the Group; and

- applicable provisions of tax and securities laws.

In recent years, the financial and credit markets have experienced conditions which have resulted at times in reduced liquidity, widening of credit spreads, lack of price transparency in credit and capital markets and increased volatility in interest rates and exchange rates. Future volatility in global credit markets and/or reduced extended periods of reduced liquidity may adversely affect the Guarantor's ability to secure financing on commercially reasonable terms, if at all. The Guarantor cannot provide any assurance that it will always be able to arrange any such external financing on commercially reasonable terms, if at all, and it may be required to secure any such financing with a lien over its assets or agree to contractual limitations on its business.

Therefore, the Guarantor has no assurance that it would be able to obtain funding in the financial markets on satisfactory terms, which would limit its ability to originate new loans and to pay or refinance its existing and future obligations as they become due. This could have an adverse impact on the Group's business, financial condition and results of operations.

The Guarantor's cash receipts are mostly restricted to dividends from its Principal Companies and the proceeds of asset sales and it may not be able to effectively re-invest cash received from the sale of investments

As a holding company, the Guarantor does not have direct access to the cash flows of its Principal Companies (which are defined under "*Description of KIPCO and the Group – Group structure*"). The Guarantor's cash flows are limited to its share of the dividends declared by its investees, and in particular its Principal Companies, interest income on its debt investments and proceeds from its own trading activities or sales of its assets. Any material decrease in the profitability of the Principal Companies resulting in lower or no dividends would therefore adversely impact the Guarantor's cash position.

The payment of dividends by some of the Principal Companies to the Guarantor is subject to restrictions contained in insurance, banking, securities and corporate laws and regulations which require that solvency and capital standards are maintained by such companies. There is no assurance that dividends from the Principal Companies will be paid on a regular basis or at all. For example, United Gulf Holding Company B.S.C. ("UGH"), which was established in 2017, has not paid a dividend since it was established.

From time to time, the Guarantor realises cash through strategic asset sales. The Guarantor may not always be able to generate cash from asset sales as it may not find a suitable buyer for its assets when it intends to sell them and it may not always be able to achieve the price that it requires.

When a significant asset sale is completed, the Guarantor's margins could be adversely affected while the cash raised from the sale remains uninvested. Additionally, there is a risk that once the funds are re-invested, the investment may not perform as expected. There can be no assurance that the Guarantor will be able to find suitable investments for its cash balances or when returns on such investments will be realised. The failure to timely and effectively re-invest cash received from the sale of investments may have an adverse effect on the Group's operations, business, financial condition and profitability.

The Guarantor's credit ratings may change and any ratings downgrade could make it more expensive for the Guarantor and other Group companies to obtain new financing and could adversely affect the value of Notes issued under the Programme

The Guarantor's credit ratings are intended to measure its ability to meet its debt obligations as they mature and thus are an important factor in determining the Guarantor's and the Group's cost of borrowing and the amount of funding it and the Group can raise.

Currently the Guarantor's credit ratings are:

- Moody's: Ba2 for long term debt, with a negative outlook.
- Standard & Poor's: BB- for long-term debt, on credit watch with negative implications.

A downgrade of the Guarantor's credit ratings may increase its cost of borrowing which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects and its relationship with creditors. Any potential future downgrade of the Guarantor's credit ratings may also limit its or its subsidiaries' ability to raise capital in the international capital markets. A downgrade may

also adversely affect the market price of Notes issued under the Programme and cause trading in such Notes to be volatile. Ratings may be subject to revision or withdrawal at any time by the assigning rating organisation and each rating should be evaluated independently of any other rating.

Valuations of unquoted investments are subject to management judgement and may not reflect the value that the Group will actually be able to realise

Some of the Group's investments are in unquoted companies. These investments are recorded at fair value in the Financial Statements using level 3 fair valuation techniques. Potential investors should be aware that valuations of unquoted investments are based on techniques that the Guarantor's management considers appropriate and are subject to significant management judgement. The types of factors that may be considered when applying fair value pricing to an investment in a particular company include the historical and projected financial data for the company, valuations given to comparable companies, the size and scope of the investee company's operations, the strengths and weaknesses of the investee company, industry information and assumptions, possible synergies within the Group, general economic and market conditions and other relevant factors.

Valuations, and in particular valuations of unquoted investments, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates. Determinations of the fair value of an unquoted investment may differ materially from the price that would be received if such investment was sold.

The results of operations reported by the Group could be adversely affected if the values of the unquoted investments that it records are materially higher than the values that are ultimately realised upon the disposal of the investments. Additionally, changes in the fair values of the Group's unquoted investments may result in volatility in the results of operations that the Group reports from period to period.

The Group is exposed to foreign exchange rate risks, including the risk of a material weakening of the Kuwaiti dinar against the U.S. dollar

The Group generates a significant proportion of its income in Kuwaiti dinar. The exchange rate of the Kuwaiti dinar is based on an undisclosed weighted basket of the currencies of Kuwait's major trade and financial partner countries. The exchange rate of the Kuwaiti dinar to one U.S. dollar was KD 0.30305 as at 31 December 2019, KD 0.30325 as at 31 December 2020, KD 0.30250 as at 31 December 2021 and KD 0.30670 as at 30 June 2022. If the U.S. dollar strengthens against the Kuwaiti dinar, this will result in a higher debt service cost to the Group.

In addition to income generated in Kuwaiti dinar, a material amount of the Group's income is generated in currencies directly or informally pegged to the U.S. dollar. Any removal of the peg or a substantial devaluation of any of these currencies could impact negatively on the amount of the Group's reported income and on the amount of distributions that the Guarantor would otherwise receive from its operating companies in the affected jurisdiction.

The Turkish subsidiary of Burgan Bank maintains its accounts and reports its results in Turkish lira. Any fluctuation in the Turkish lira against the Kuwaiti dinar may result in a change in the value of its foreign currency assets or liabilities for the purpose of Burgan Bank's consolidated financial statements. The Turkish lira depreciated by 67.9 per cent. against the Kuwaiti dinar between 1 January 2019 and 30 June 2022. This had a limited impact on the Group as Burgan Bank's investment in Turkish lira is hedged through the use of currency swaps. However, any further devaluation in the currency may have a detrimental impact on Burgan Bank's dividend paying capacity. In addition, the weakness of the Turkish lira is contributing to high inflation levels in Turkey and accounting firms have classified Turkey as a hyperinflationary economy for reporting periods ended on or after 30 June 2022 which may adversely affect Burgan Bank's Turkish operations.

Any weakening of the Kuwaiti dinar against the U.S. dollar could adversely impact the Guarantor's ability to repay principal and interest on borrowings denominated in a currency other than Kuwaiti dinar. The Guarantor is also exposed to the potential impact of any alteration to the Central Bank of Kuwait's foreign exchange policy. In addition, although the Guarantor attempts to hedge its exposure and manage its cost of financing through the use of swaps and other derivatives with parties believed to be solvent, it is possible that a counter-party may default on its obligations, leaving the Guarantor unprotected against such fluctuations. In addition, the Guarantor reports foreign exchange gains or losses in its profit and loss

statement. If the value of the Kuwaiti dinar against the U.S. dollar fluctuates in a volatile manner, the impact on reported profit may be substantial.

The Group is exposed to fluctuations in interest rates and credit spreads, as well as bond and equity price risks

Group companies operating in the financial services sector in particular are exposed to fluctuations in interest rates, as well as bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between the Group's banking subsidiaries' lending and investment activities and their borrowing costs, and the values of assets held by the Group's banking subsidiaries and insurance associate that are sensitive to interest rate and spread changes. An increase in interest rates generally may decrease the value of these entities' fixed rate loans and debt investments and adversely affect their interest income. They could also raise these entities' funding costs, all of which could adversely affect their businesses, results of operations, financial condition and prospects and have a consequent adverse effect on the Group's business and financial condition.

Risks relating to the Group and the Guarantor generally

The Group may be adversely affected by increased competition

Many governments in the MENA region are liberalising their economies and initiating economic reforms. As a result, the MENA region is emerging as an investment opportunity and attracting transnational companies. The increased competition resulting from transnational companies operating in the MENA region could have an adverse impact on the Group's profitability.

The Group's profitability is dependent on the performance of its Principal Companies and most of the Group's income is derived from its Principal Companies. The Group could be adversely impacted by the inability of one or more of its Principal Companies to compete effectively, for example by completing or successfully integrating strategic transactions, developing and introducing new products and services in a timely manner and responding effectively to technological changes.

For example, the pay TV business of Panther Media Group Limited ("**PMG**") operates in a highly competitive environment and faces competition from a broad range of organisations. Technological developments also have the ability to create new forms of competition. A failure to maintain PMG's product proposition in line with changing market dynamics could erode its competitive position. PMG faces competition for customers from rival full service pay per view operators, internet video streaming (both legal and pirate feeds) and over-the-top ("**OTT**") content providers operating regionally and internationally. PMG's ability to compete successfully will depend on its ability to acquire and commission programme content and package this in a way that is attractive to its customers. The programme content that PMG has licensed from others is subject to fixed term contracts which will expire or may terminate early. PMG cannot be certain that programme content will be available to it at all or on acceptable financial or other terms. Certain of these factors are already negatively impacting PMG's financial performance and may lead to fair value adjustments, see "*Description of KIPCO and the Group – Business of the Group – Media and satellite services reporting segment – PMG*".

The level of legal competition, grey distribution and illegal piracy activities continues to exert pressure on PMG's revenue. As a result, the Guarantor and PMG's other shareholders have had to inject additional capital into PMG. There can be no assurance that the revenue pressure on PMG will abate or that cost cutting measures will generate sufficient savings. Although PMG's management is taking steps to mitigate losses and appropriate support is being provided by the Guarantor, there can be no assurance that PMG will return to profitability in the short term, nor that the level of support that its shareholders have committed to provide will be sufficient or that future support will not be required. Ongoing support to PMG could have an adverse impact on the Group's financial performance.

The Group may be adversely affected by volatility in the real estate markets in the MENA region

The Group is, through United Real Estate Company S.A.K.P. ("**URC**") and its banking businesses, exposed to volatility in the real estate markets in the GCC and MENA regions. URC acquires interests in undeveloped land or underdeveloped real property with a view to developing and selling the real property in the future. URC is subject to the risks normally associated with such assets and development activities, including risks relating to the uncertainty of return on investment, material changes in real estate prices as

a result of speculative market activities, availability and timely receipt of required approvals, the cost and timely completion of construction (including risks beyond the control of URC, such as availability of construction materials, contractors and labour and inclement weather) and the availability of both construction and permanent financing on commercially attractive terms as a result of increased competition for attractive real estate opportunities. The occurrence of any one or more of these risks could materially adversely affect URC's results of operations and financial condition and consequently the Group's business and financial condition.

The Guarantor is also indirectly exposed to a correction in the GCC and MENA region real estate markets through its investments held by Group companies in the real estate industry, and through banking activities, including the provision of financing for real estate purchases and development projects and the use of real estate as collateral for loans made. Any decline in the real estate markets may affect the ability of customers to meet their loan obligations and the value of any collateral held by the Group, both of which could result in increased impairments and loan write-offs, or decrease the amount of the Group's financing activities in the future. If any of the foregoing were to occur, it could materially adversely affect the Group's business, results of operations, financial condition and prospects.

The Group operates principally in developing markets which are subject to greater risks than more developed markets, including significant political, social and economic risks

The table below shows the geographical breakdown of the Group's income in 2021 and its non-current assets as at 31 December 2021.

	2021 income	Non-current assets as at 31 December 2021
	(per cent.)	
Kuwait.....	42.3	52.3
Rest of the GCC	12.8	13.4
Rest of the MENA region and Asia	26.9	27.7
Europe ⁽¹⁾	17.3	5.8
North America.....	0.8	0.8
Total	100.0	100.0

Note:

⁽¹⁾ Primarily attributable to Turkey and Malta.

A significant proportion of the Group's income is generated in Kuwait. There can be no assurance that a significant deterioration in economic conditions in Kuwait will not adversely impact the Group's financial performance. Kuwait's economy is largely driven by revenue from oil exports and as such is exposed to volatility in oil prices. The Government's policies to diversify Kuwait's economy away from its reliance on oil as the single major revenue source have generally resulted in improved economic performance, although there can be no assurance that such performance will be sustained.

The Group's financial performance may also be adversely affected by political, economic and related developments in both the GCC and wider MENA region. There has been political and economic instability in a number of countries in the MENA region in recent years, including ongoing conflicts in Yemen, Syria, Iraq and Libya. Continued or expanded violence in the MENA region could have a material adverse effect on the Group's business, financial condition, results of operations and prospects if it impacts the areas in which the Group has significant operations or if it results in reduced investment in those areas.

Furthermore, a continued rise in inflation rates in Turkey and further devaluation of the Turkish lira against the Kuwaiti dinar may adversely affect the Guarantor's business and results of operations, see "– *Financial Risks – The Group is exposed to foreign exchange rate risks, including the risk of a material weakening of the Kuwaiti dinar against the U.S. dollar*" above.

Any material unexpected developments in the political, social, economic or other conditions in countries in which the Group operates or plans to operate, including any adverse regulatory, taxation or other legal changes, may also have a material adverse effect on the Group's business, financial condition and results of operations or may adversely affect the Guarantor's plans for international expansion and investment.

The Group is exposed to risks associated with expansion into new markets, investment in start-up or early stage businesses and the acquisition of new companies and businesses

The Group's strategy is to expand further into markets or businesses within the GCC and the wider MENA region and beyond, which may include markets in which it has not operated previously. These new markets may pose additional challenges, including different competitive conditions, political and regulatory systems, with which the Group is not familiar, and the Group may not be able to rely on its reputation and relationships to the extent that it can in its established markets.

The Group's growth strategy also includes expanding its operations by acquiring new companies. If the Group encounters difficulties in acquiring new companies at commercially reasonable prices or if the companies acquired by it fail to produce the anticipated benefits, this could have a material adverse effect on the Group's business, financial condition and results of operations. The Group may also acquire or establish new businesses with limited or no previous operating experience. While these investments potentially offer the opportunity for significant capital gains, they involve a high degree of business and financial risk that can result in substantial loss of investment.

The Group also invests in, and may further invest in, countries adjacent to the MENA region, notably Turkey and Malta. There can be no assurance that the performance of investments in these markets will deliver the returns expected at the time of investment.

Legal and regulatory systems may create an uncertain environment for investment and business activities

Legal and regulatory systems in the MENA region may create an uncertain environment for investment and business activities. The MENA region is in the process of developing governing institutions and legal and regulatory systems, which are not yet as firmly established as they are in Western Europe and the United States. Kuwait, along with other countries within the GCC region, has enacted measures to promote greater efficiency and certainty within their legal and regulatory systems. However, Kuwait may experience changes in its economy and government policies that may affect the Guarantor's business.

In addition, procedural safeguards as well as formal regulations and laws may not be applied consistently in these countries. In some circumstances it may not be possible to obtain the legal remedies provided under the relevant laws and regulations in a timely manner. As the legal environment remains subject to continuous development, investors in countries in the MENA region may face uncertainty as to the security of their investments. Any unexpected changes in the legal systems in countries in the MENA region may have a material adverse effect on the investments that the Guarantor has made or may make in the future, which may in turn have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Guarantor's Principal Companies operate in regulated businesses across multiple jurisdictions. Local regulations may change in a manner adverse to the business of one or more Principal Companies. Ownership restrictions or limitations on the scope of its activities could also be imposed on the Guarantor. The Guarantor's most material Principal Companies operate in the financial services sector, which is highly regulated and which has seen significant new regulation since the global financial crisis, see "*Risks specific to individual Principal Companies – Changes in regulation could adversely impact Burgan Bank*" below.

No assurance can be given that the government of any of the jurisdictions in which the Guarantor's Principal Companies operate will not implement new regulations or policies, or interpret existing regulations and policies, relating to or affecting expropriation, nationalisation, taxation, interest rates, exchange controls or capital adequacy requirements in a manner that is adverse to the Group or otherwise take actions which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Guarantor and the Principal Companies are subject to operational risks and external events such as natural disasters and other catastrophic events beyond their control

Operational risk and losses at the Guarantor and the Principal Companies can result from internal events such as fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules and systems and equipment failures, as well as external events such as natural disasters or the failure of external systems

(for example, those of counterparties) which may have an impact on the affected company's performance. The Guarantor and each of its Principal Companies have an operational risk framework which is used to manage its internal operational risks by identifying, measuring, controlling, monitoring and reporting risks. Nevertheless, this framework may not always be effective and there can be no assurance that measures undertaken to combat employee misconduct will be successful. The occurrence of internal operations risks could expose the Group to financial losses resulting from (i) the need to reimburse clients, co-investors or other business partners who suffered loss or (ii) fines or other regulatory sanctions, and could also damage the affected company's reputation, which would in turn be likely to materially adversely affect the Group's business, results of operations and financial condition.

The business operations of the Guarantor and the Principal Companies could also be adversely affected or disrupted by external operational risks, including accidents, natural disasters (such as earthquakes, floods, tsunamis, hurricanes, fires or typhoons) or other catastrophic or otherwise disruptive events, including, but not limited to:

- changes to predominant natural weather, hydrologic and climatic patterns, including sea levels;
- invasion, piracy, sabotage, rebellion, revolution, insurrection, military or usurped power, war and radioactive or other material environmental contamination;
- riots or other forms of civil disturbance;
- occurrence of any contagious disease (such as Avian Flu, Ebola Virus Disease, SARS, Zika Virus Disease or COVID-19);
- major accidents, including chemical, and radioactive or other material environmental contamination; and
- strike or lock-out or other industrial action by workers or employers.

The occurrence of any of these events could disrupt the Guarantor's or a Principal Company's operations, increase its costs, reduce its income, require significant capital expenditure to rectify, subject the affected company to liability or impact its brand and reputation and may otherwise hinder the normal operation of its business, which could materially and adversely affect the Group's business, prospects, results of operation and financial condition.

The Guarantor and the Principal Companies are exposed to cyber-security risks

The Guarantor and the Principal Companies depend on their information and technology systems and rely heavily on their financial, accounting and other data processing systems. The proper functioning of these systems are critical to their businesses and ability to compete effectively. If any of these systems do not operate properly or are disabled, the affected company could suffer financial loss, a disruption of its business, liability to clients, regulatory intervention and reputational damage.

There is a growing threat to information systems and customer data from cyber-attacks. Activists, rogue States and cyber criminals are among those targeting computer systems around the world. Risks to technology and cyber-security change rapidly and require continued focus and investment. Given the increasing sophistication and scope of potential cyber-attack, it is possible that future attacks may lead to significant breaches of security which further necessitates the Guarantor's and each Principal Company's continued investment in operational system upgrades. Failure to adequately manage cyber-security risk and continually review and update current processes in response to new threats could disrupt an affected company's (and therefore the Group's) business, result in the disclosure of confidential information, create significant financial and/or legal exposure and damage the affected company's and the Group's reputation and/or brands, which could have a material adverse effect on the Group's business, results of operations and financial condition.

The Guarantor and each Principal Company is exposed to risks associated with the loss of its key personnel

The Guarantor's and each Principal Company's success depends to a significant degree upon the efforts and abilities of its key personnel and its ability to continue to recruit and retain qualified and experienced personnel. There is a shortage of qualified personnel in the MENA region in many of the industries in which the Principal Companies operate, including banking and insurance in particular, and competition in

recruiting and retaining such personnel is intense. Any failure by a Principal Company to recruit, train and/or retain necessary personnel could have a material adverse effect on its business, results of operations and financial condition and therefor adversely impact the Group's business.

The Guarantor depends on the efforts, skill, reputation and experience of its senior management, as well as synergies among their diverse fields of expertise and knowledge. The loss of any of these key personnel could delay or prevent the Guarantor from implementing its strategies. The Guarantor is also not insured against losses which may be incurred in the event of the loss of any member of its key personnel.

Kuwait may introduce corporate income tax and value added tax

The Guarantor is not currently subject to corporation tax on its earnings within Kuwait. However, in March 2016 the Kuwait Cabinet of Ministers approved plans to implement a corporate tax of 10 per cent. on the annual profits of entities incorporated in Kuwait (the "**Proposed Corporate Income Tax**"), including partnerships, funds, sole partnerships and trusts, similar companies established under the laws of a foreign country and individuals, enterprises or sole traders (other than incorporated companies) who are carrying on a business in Kuwait. As at the date of this Offering Circular, the Proposed Corporate Income Tax does not have the force of law until such time as it has been approved by the Kuwaiti Parliament, signed by the Amir and published in the Official Gazette. It is currently uncertain as to whether the Proposed Corporate Income Tax will be promulgated into law in the form in which it has been proposed by the Cabinet of Ministers, or at all. If the Kuwaiti authorities impose new tax regimes on the Guarantor (whether in the form of the Proposed Corporate Income Tax or otherwise) or introduce any other changes in tax laws which make doing business in Kuwait less attractive, this may have a material adverse effect on the Guarantor's business, results of operations, cash flows and financial condition. The Proposed Corporate Income Tax also provides for withholding taxes ("**WHT**") to be imposed on payments to non-resident entities. Currently the Proposed Corporate Income Tax provides for WHT on royalties, interest and technical fees at 10 per cent. and insurance premiums at 5 per cent., but not on dividends.

A number of GCC countries have introduced value added taxes ("**VAT**") in recent years following the finalisation of a VAT framework by the GCC countries in 2017. To date, Kuwait has not implemented VAT although it is committed to do so within the GCC VAT framework. As a result, it is not yet possible to identify how VAT will impact the Group in Kuwait and whether any exemptions, exclusions or refunds will apply. It is however possible that the implementation of VAT in Kuwait may adversely impact the Group's financial position, business results and prospects.

Future events may be different from those reflected in the management assumptions and estimates used in the preparation of the Group's financial statements, which may cause unexpected losses in the future

Accounting policies and methods are fundamental to how the Group records and reports its financial condition and results of operations. Pursuant to IFRS rules and interpretations in effect as at the date of this Offering Circular, the Group is required to make certain estimates in preparing its financial statements. Management has identified the most significant judgments and estimates made by it in note 2.6 to the 2021 Financial Statements. These judgments and estimates include, for example, judgments relating to lease accounting and estimates and assumptions relating to impairment, expected credit losses and the determination of fair values.

A variety of factors could affect the ultimate value that is obtained either when earning income, recognising an expense, recovering an asset or reducing a liability. The Group has established policies and control procedures that are intended to ensure its significant accounting estimates and judgments are well-controlled and applied consistently. In addition, the policies and procedures are intended to ensure the process for changing methodologies occurs in an appropriate manner. However, due to the uncertainty surrounding the Group's judgments and the estimates pertaining to these matters, the Group cannot be certain that it will not be required to make changes in accounting estimates or restate prior period financial statements in the future.

Should the estimated values for such items prove substantially different to actual values, particularly because of significant and unexpected market movements, or if the methods by which such values were determined are revised in future IFRS rules or interpretations, the Group may experience unexpected losses.

Risks specific to individual Principal Companies

Burgan Bank and JKB together form the Group's commercial banking reporting segment, which contributed 62.3 per cent. of the Group's income (after taking account of inter-segment eliminations). The commercial banking reporting segment was the Group's most profitable reporting segment in 2021 and also contributed 85.4 per cent. of its total assets (after taking account of inter-segment eliminations) as at 30 June 2022. Reflecting its relative materiality, the risks below discuss only Burgan Bank, although they also apply equally to JKB.

Burgan Bank is exposed to significant credit risks

Burgan Bank is a commercial bank and a substantial part of its activity is extending credit to customers and holding financial and real estate assets as investors or as security for loans. Burgan Bank is therefore exposed to a range of credit risks, including:

- increases in the level of customer and counterparty defaults arising from adverse changes in credit and recoverability due to economic deterioration and other factors;
- concentrations in its credit and investment portfolios, including in terms of geography, sector and counterparty which may give rise to higher impairment and default rates than in a more diverse institution;
- increases in impairment allowances and incurred losses that exceed existing provisions for credit losses;
- collateral levels that are insufficient to cover losses on the related lending, including as a result of declines in real estate markets and volatility in securities markets;
- systemic risk, which is the risk that default by any one financial institution could lead to significant losses, and potentially defaults, by other financial institutions; and
- potential losses arising from credit commitments and other contingent liabilities falling due unexpectedly.

The occurrence of any of these events could have a material adverse impact on Burgan Bank through reduced net interest income, increased impairment losses and write-offs affecting its results of operations and, as a result, could impact the Group's results of operations and financial condition.

Burgan Bank is exposed to significant liquidity risk

Burgan Bank is exposed to liquidity risk, in particular mismatches between the maturities of its assets (principally customer loans) and its liabilities (principally customer deposits and other funding), which may result in difficulty funding new loans or repaying liabilities when they fall due. This risk can be heightened by concentrations of key depositors and at times when liquidity is constrained or competition for deposits increases and existing depositors are more likely to withdraw their deposits. At such times, Burgan Bank may need to access more expensive sources to meet its funding requirements. No assurance can be given that Burgan Bank will always be able to obtain additional funding on commercially reasonable terms as and when required, or at all. Any inability by Burgan Bank to refinance or replace withdrawn deposits with alternative funding could materially adversely affect its liquidity, business, results of operations and financial condition and, in extreme cases, could, potentially, result in its insolvency which in turn could adversely affect the Group's business and financial condition.

Changes in regulation could adversely impact Burgan Bank

Burgan Bank is a highly regulated entity. Changes to applicable laws or regulations, the interpretation or enforcement of such laws or regulations or the failure to comply with such laws or regulations or a change in the capital treatment of Burgan Bank could all have an adverse impact on it. In such an event, Burgan Bank's ability to pay dividends to Guarantor may be adversely affected.

The Basel Committee on Banking Regulation and Supervisory Practices (the "**Basel Committee**") has set international standards for the capital adequacy of banks. The capital adequacy level maintained by Burgan Bank currently exceeds the minimum requirements set out by its regulator. However, a bank's capital level

is impacted by changes in its loan portfolio, the level of its impairments and its profitability and negative changes in any of these factors, or regulatory changes impacting the capital treatment of Burgan Bank's capital instruments may result in Burgan Bank needing to raise new capital to maintain its minimum capital adequacy ratios. In such an event, the Guarantor's dividends received from Burgan Bank may be adversely affected.

Burgan Bank is exposed to reputational risks related to its operations and industry

Burgan Bank is exposed to the risk that litigation, misconduct, operational failures, negative publicity and press speculation, whether or not valid, will harm its reputation. Burgan Bank's reputation may also be adversely affected by the conduct of third parties over whom it has no control, including entities to which it lends money or in which it has invested. For example, if a Burgan Bank borrower becomes associated with financial scandals or widely publicised improper behaviour, Burgan Bank's own reputation may be affected. This in turn may have an impact on its financial condition and that of the Group.

Gulf Insurance Group K.S.C.P. ("GIG") comprises the Group's insurance reporting segment. Although the insurance reporting segment did not make a material contribution to the Group's income in 2021 reflecting the fact that GIG is an equity accounted associate, the Group considers GIG to be its second most material subsidiary after Burgan Bank.

GIG's business involves complex risk management processes and could be adversely affected by a failure to accurately assess underwriting risks and by catastrophic events

GIG operates in both the life and non-life segments of the insurance market, namely property and casualty, life and health, motor, marine and aviation. A key factor impacting GIG's success is its ability to accurately assess the risks associated with the insurance offered. If GIG fails to accurately assess the risks, it may fail to establish adequate premium rates to generate the reserves required to cover its insurance claims.

GIG's business operations and risk management require complex models under which it needs to properly reflect the value of its business and make an adequate allowance for the risks associated with it. This includes a constant assessment of numerous factors, such as pricing and reserving assumptions, natural catastrophe frequency and severity, the long-term development of interest rates, investment returns, the allocation of investments between equity, fixed income and other categories and future expense levels. GIG monitors its actual experience regarding these assumptions and, to the extent that it considers that this experience may not continue in the longer term, it refines its long-term assumptions.

The factors listed above are, among other things, the basis for (i) its "best estimate" actuarial assumptions under the IFRS liability adequacy testing, (ii) capital requirements under applicable regulations and (iii) the calculation of insurance premiums and reserves. In each of these cases, GIG must rely on its own assumptions and estimates when operating its risk analysis and risk management systems. The assumptions used may differ from actual developments in the future. Adjustments in such assumptions may have to be made in reaction to revised legal and regulatory requirements, changing financial markets or expected future actuarial experience, which may lead to changes in GIG's solvency position as well as the accounting of, and reserves required for, GIG's insurance operations.

The global insurance industry has undergone periodic changes with significant fluctuations in operating results due to competition, catastrophic events, economic and social conditions and other factors beyond the control of companies working in the insurance industry. That has, and may continue to, result in periods of price competition due to excess supply. In addition, the frequency of occurrence and the magnitude of catastrophic losses have a significant impact on the insurance industry. Projections of possible losses from future catastrophic events of varying types and magnitudes are used as a strategic underwriting tool. These loss projections are used to estimate potential catastrophic losses in certain geographic areas and to assist in the making of decisions on the purchase of reinsurance or other actions to limit the extent of potential losses in a given geographic area. These loss projections are approximations which are reliant on a mix of quantitative and qualitative processes, and actual losses may exceed the projections by a material amount, resulting in a material adverse effect on GIG's business, results of operations, financial condition and prospects and negatively impact the Guarantor's ability to achieve a return on its investment in GIG.

The failure of GIG's insureds, intermediaries and reinsurers to satisfy their obligations could reduce its net income

In accordance with industry practice, GIG's insurance business has uncollateralised receivables from insureds, agents and brokers and/or relies on agents and brokers to process its payments. GIG may not always be able to collect amounts due from insureds, agents and brokers, resulting in a reduction in its net income.

GIG is also subject to the credit risk of counterparties in connection with its reinsurance and insurance sharing arrangements because the transfer of risk to a counterparty does not relieve GIG of its liability to the insured. In addition, counterparties may be unwilling to pay GIG even though they are able to do so. The failure of one or more of GIG's counterparties to honour their obligations in a timely fashion would impact GIG's cash flow, reduce its net income and could cause GIG to incur a significant loss, which could have a material adverse effect on its business, financial condition, results of operations and prospects and negatively impact the Guarantor's ability to achieve a return on its investment in GIG.

PMG forms the Group's media and satellite services reporting segment, which contributed 14.2 per cent. of the Group's income (after taking account of inter-segment eliminations) in 2021 and 3.8 per cent. of its total assets (after taking account of inter-segment eliminations) as at 30 June 2022. PMG was loss making in 2021.

PMG's pay TV business may suffer if it cannot acquire or retain attractive content for the pay TV services it offers

PMG's success in growing the customer base of its pay TV operations depends substantially on its ability to secure, retain, renew or continue to obtain attractive film and other programming on commercially reasonable terms. PMG's studio programming content agreements are periodically renewable. The Guarantor cannot predict whether PMG's suppliers will renew or extend their relationship on commercially reasonable or acceptable terms or at all. An increase in competitors in the pay TV markets in which PMG competes will also make it harder for PMG to obtain desirable content. In the event that programming arrangements are not renewed or are cancelled, or competitors obtain rights to content sought by PMG, it will be required to seek alternative content from other sources. There can be no assurance that such alternative content will be available timely and on commercially reasonable terms or that it will appeal to PMG's customers.

PMG's ability to obtain attractive content for its pay TV services may also be adversely affected by changes in customer viewing tastes or changes in regulatory controls over content which result in a need to source more conservative content. Such changes in what is considered to be attractive content may have an adverse impact on PMG as it currently relies on its premium western content as a core strength and it may not be able to adapt to a new content strategy (or be able to source new content) quickly or on commercially reasonable terms. Failure to secure, retain or renew attractive content, or increased costs in connection with doing so, may result in a loss of market share and could have a material adverse effect on PMG's business, financial condition, results of operations and prospects and the Guarantor's ability to achieve a return on its investment in PMG.

In addition, PMG is dependent on satellites which it does not own or operate to deliver content to subscribers. Satellites are subject to significant risks, such as malfunction, damage and destruction that may prevent or impair proper commercial operations. PMG's ability to transmit its programming following the end of the expected useful lives of the satellites it is currently using and to broadcast additional channels in the future depends on its ability to obtain rights to new satellite transponder capacity. In the event of satellite failure, PMG would need to make alternative arrangements for transponder capacity, which it may not be able to do on commercially reasonable terms or at all.

The success of PMG's pay TV operations will largely depend on its ability to retain existing customers and gain new customers. Factors that may impede customer base growth include the current prevalence of piracy and the highly competitive environment. The Guarantor cannot give an assurance that PMG will be able to obtain attractive content or that attractive content will be sufficient to reduce customer deactivations and gain new subscribers. As a result, the deactivation rate may adversely impact on PMG's ability to grow its customer base and achieve profitability and the Guarantor's ability to achieve a return on its investment in PMG.

PMG's OTT business may be adversely impacted if it cannot offer attractive content for the OTT platform it offers

PMG faces significant competition from global and regional OTT companies. PMG's OTT platform must continually offer quality content at competitive prices. PMG is accelerating its commissioning and production of audio visual content under the umbrella of "OSN Originals", a relatively new line of business. The business constantly faces a risk of change in consumer appetite for content, pricing pressure and technological advancements. Failure to effectively respond to this risk may adversely impact PMG's results and financial position and the Guarantor's ability to achieve a return on its investment in PMG.

The Guarantor may be adversely affected if its strategic options regarding its media business are not realised on satisfactory terms

The Guarantor is exploring several strategic options in relation to PMG, in line with its strategy of ongoing review of its assets. The strategic options include: (i) refocusing the business back to profitability through resizing of the business, content optimisation and digital product offerings; (ii) introducing strategic partners; and (iii) disposal of the Guarantor's interest in PMG. There is no assurance that a plan to resize the business (including by way of content optimisation) will be realised on satisfactory terms or at all. There is also no assurance that PMG will be successful in its digital product offerings or in creating valuable intellectual property in its OSN Originals. Furthermore, there is no assurance that a transaction, such as a partnership or a disposal, will be available or realised on satisfactory terms or that, in the case of a partnership, it will result in any improvement of the Guarantor's returns from owning PMG.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

The Issuer may issue Notes which entitle the Issuer to redeem such Notes prior to their maturity date at its option and at a price which may be less than the current market price of those Notes. An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Notes subject to optional redemption by the Issuer for tax reasons

The Issuer may redeem all (but not part) of the outstanding Notes in accordance with the Conditions if any of the two events described below occur. The first is that the Issuer has or will become obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for any present or future taxes, duties, assessments or governmental charges imposed by or on behalf of the UAE (including the DIFC) as a result of a change in (or in the application or enforcement of) the laws or regulations of the UAE (including the DIFC) or any of its political subdivisions or authorities having power to tax, and such obligation cannot be avoided by reasonable measures. The second is that (i) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for any present or future taxes, duties, assessments or governmental charges imposed by or on behalf of Kuwait or (ii) the Guarantor has or will become obliged to make any such withholding, retention or deduction from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Notes, in either case as a result of a change in (or in the application or enforcement of) the laws or regulations of

Kuwait or any of its political subdivisions or authorities having power to tax, and such obligation cannot be avoided by reasonable measures.

No assurance can be given that the government of the the UAE (including the DIFC) or Kuwait will not implement new regulations or new legal interpretations of existing regulations relating to or affecting taxation which could result in the imposition of such a withholding or deduction. In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The regulation and reform of benchmarks may adversely affect the value of Notes linked to or referencing such benchmarks

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

Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the Regulation (EU) No. 2016/1011 as it forms part of domestic law of the UK by virtue of the EUWA (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the UK.

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark rate, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation or the UK Benchmarks Regulation and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level of the benchmark.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the discontinuance or unavailability of quotes of certain benchmarks.

As an example of such benchmark reforms, on 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free

overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("€STR") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its working group on Sterling risk-free rates had been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("SONIA") across sterling bond, loan and derivative markets so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(l) (*Benchmark Replacement – Independent Adviser*) and Condition 7(m) (*Benchmark Replacement – SOFR*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, such as EURIBOR (including any page on which any such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, otherwise occurs. Such an event may be deemed to have occurred prior to the issue date for a Series of Notes. Such fallback arrangements include the possibility that the Rate of Interest could be set by reference to a Successor Rate or an Alternative Reference Rate (both as defined in the Conditions), and that such Successor Rate or Alternative Reference Rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than if the original benchmark continued to apply.

In certain circumstances the ultimate fallback for the purposes of calculation of the Rate of Interest (as defined in the Conditions) for a particular Interest Period (as defined in the Conditions) may result in the Rate of Interest (as defined in the Conditions) for the last preceding Interest Period (as defined in the Conditions) being used. This may result in the effective application of a fixed rate for Floating Rate Notes (as defined in the Conditions) based on the rate which was last observed on the Relevant Screen Page (as defined in the Conditions). In addition, due to the uncertainty concerning the availability of Successor Rates (as defined in the Conditions) and Alternative Reference Rates (as defined in the Conditions), the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances the relevant fallback provisions may not operate as intended at the relevant time.

Additionally, in order to facilitate the calculation of a Successor Rate or Alternative Reference Rate, and in each case, the applicable Adjustment Spread, the Conditions provide that the Conditions, the Trust Deed and the Agency Agreement may be varied without any requirement for the consent or approval of the Noteholders. Furthermore, the Conditions provide that in connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Noteholders.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation reforms or arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

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

It is not possible to predict with certainty whether, and to what extent, EURIBOR, KIBOR, SHIBOR, HIBOR, KLIBOR, TRLIBOR, TRYLIBOR, SIBOR, EIBOR, TIBOR and SAIBOR or any other benchmark will continue to be supported going forwards. This may cause EURIBOR, KIBOR, SHIBOR, HIBOR, KLIBOR, TRLIBOR, TRYLIBOR, SIBOR, EIBOR, TIBOR and SAIBOR and other benchmarks to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark; and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

Investors should be aware that, if EURIBOR, KIBOR, SHIBOR, HIBOR, KLIBOR, TRLIBOR, TRYLIBOR, SIBOR, EIBOR, TIBOR or SAIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference, EURIBOR, KIBOR, SHIBOR, HIBOR, KLIBOR, TRLIBOR, TRYLIBOR, SIBOR, EIBOR, TIBOR or SAIBOR will be determined for the relevant period by the fallback provisions applicable to such Notes. Depending on the manner in which, EURIBOR, KIBOR, SHIBOR, HIBOR, KLIBOR, TRLIBOR, TRYLIBOR, SIBOR, EIBOR, TIBOR or SAIBOR is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for EURIBOR, KIBOR, SHIBOR, HIBOR, KLIBOR, TRLIBOR, TRYLIBOR, SIBOR, EIBOR, TIBOR and SAIBOR which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference EURIBOR, KIBOR, SHIBOR, HIBOR, KLIBOR, TRLIBOR, TRYLIBOR, SIBOR, EIBOR, TIBOR or SAIBOR.

The market continues to develop in relation to risk-free rates (including overnight rates) which are possible reference rates for Notes

The use of the Secured Overnight Financing Rate ("**SOFR**") and €STR as a reference rate for Eurobonds continues to develop. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing SOFR, but also how widely SOFR and related methodologies might be adopted.

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

In particular, investors should be aware that several different methodologies have been used in risk-free rate notes issued to date. No assurance can be given that any particular methodology, including the compounding formula in the terms and conditions of the Notes, will gain widespread market acceptance. In addition, market participants and relevant working groups are still exploring alternative reference rates based on risk-free rates, including various ways to produce term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates.

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

Certain administrators of risk-free rates have published hypothetical and actual historical performance data. Hypothetical data inherently includes assumptions, estimates and approximations and actual historical performance data may be limited in the case of certain risk-free rates. Investors should not rely on hypothetical or actual historical performance data as an indicator of the future performance of such risk-free rates.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SONIA, SOFR, €STR or any related indices.

Risk-free rates differ from interbank offered rates in a number of material respects and have a limited history

Risk-free rates may differ from interbank offered rates in a number of material respects, including (without limitation) by, in most cases, being backwards-looking, calculated on a compounded or weighted average basis and risk-free overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term and include a risk-element based on interbank lending. As such, investors should be aware that interbank offered rates and any risk-free rates may behave materially differently as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future.

Interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates to reliably estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes referencing interbank offered rates, if Notes referencing backwards-looking SONIA, SOFR or €STR become due and payable under Condition 12 (*Events of Default*) or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

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

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

The Bank of England, The Federal Reserve Bank of New York or the European Central Bank (or their successors), as administrator of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index) and €STR respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such

risk-free rate and/or index is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR, or timing related to the publication of SONIA, SOFR or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR or any related index (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate and/or index. The Issuer and Guarantor do not have any control over determination, calculation or publication of any of the foregoing risk-free rates or indices and that there can be no guarantee that such the risk-free rates or indices will not be discontinued, suspended or fundamentally altered in a manner that is materially disadvantageous to the Noteholders.

Risks related to Renminbi Notes

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

Renminbi is not completely freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes

Renminbi is not completely freely convertible at present. The government of the PRC continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

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

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

Although the People's Bank of China ("**PBoC**") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer or the Guarantor to source Renminbi to finance its obligations under Renminbi Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the Issuer's or the Guarantor's ability to source Renminbi outside the PRC to service Renminbi Notes

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the People's Bank of China (the "**PBoC**") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**") including but not limited to Hong Kong and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi-denominated financial assets outside the PRC is limited.

The Renminbi Clearing Banks only have access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement, and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer or the Guarantor is required to source Renminbi in the offshore market to service the Renminbi Notes, there is no assurance that the Issuer or the Guarantor, as the case may be, will be able to source such Renminbi on satisfactory terms, if at all.

If the Issuer or the Guarantor is unable to source such Renminbi, the Issuer's or the Guarantor's, as the case may be, obligation to make a payment in Renminbi under the terms of the Notes may be replaced by an obligation to pay such amount in U.S. dollars converted using the Spot Rate for the relevant Rate Calculation Date (all as defined in the Conditions and further described in Condition 10(a)(11) (*Payments – Bearer Notes – Payment of U.S. Dollar Equivalent*) and Condition 10(b)(8) (*Payments – Registered Notes – Payment of U.S. Dollar Equivalent*)).

Investment in Renminbi Notes is subject to exchange rate risks

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

Payments for Renminbi Notes will only be made to investors in the manner specified in the Renminbi Notes

All payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by a Temporary Global Note or a Permanent Global Note held with the common depositary or common safekeeper, as the case may be, for Clearstream, Luxembourg and Euroclear or any alternative clearing system by transfer to a Renminbi bank account maintained in Hong Kong, or (ii) for so long as the Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Other than as described in the Terms and Conditions of the Notes the relevant Issuer (or, as the case may be, the Guarantor) cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

In the event that access to Renminbi becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (as defined in the Terms and Conditions of the Notes), the Issuer or the Guarantor, as the case may be, is unable, or it is impractical for it, to pay interest or principal in Renminbi, the Terms and Conditions of the Notes allow the Issuer or the Guarantor, as the case may be, to make payment in U.S. dollars at the prevailing spot rate of exchange, all as provided in more detail in Condition 10(a)(11) (*Payments — Bearer Notes — Payment of U.S. Dollar Equivalent*) or Condition 10(b)(8) (*Payments — Registered Notes — Payment of U.S. Dollar Equivalent*), as the case may be. As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a Noteholder's investment in U.S. dollar or other foreign currency terms will decline.

Investment in Renminbi Notes is subject to interest rate risks

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

As Renminbi Notes may carry a fixed interest rate, the trading price of Renminbi Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of Renminbi Notes propose to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is regarded as income derived from sources within the PRC. The *PRC Enterprise Income Tax Law* levies EIT at the rate of 20 per cent. of the gains derived by such non-PRC resident enterprise or individual Holder from the transfer of Renminbi Notes but its implementation rules have reduced the enterprise income tax rate to 10 per cent. The *PRC Individual Income Tax Law* levies IIT at a rate of 20 per cent. of the gains derived by such non-PRC resident individual Holder from the transfer of the Renminbi Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to the EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if non-PRC enterprise or individual resident Holders are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual resident holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Subject to and in accordance with Condition 7(l) (*Interest – Benchmark Replacement – Independent Adviser*) and Condition 7(m) (*Interest – Benchmark Replacement – SOFR*) certain changes may be made to the interest calculation of Floating Rate Notes, without the consent of the Noteholders. Accordingly, there is a risk that the Conditions may be modified, waived or amended in circumstances without the consent or approval of a Noteholder which may adversely impact the rights of such individual Noteholder.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 16 (*Meetings of Noteholders; Modification and Waiver*) of the conditions of the Notes. Accordingly, there is a risk that the Terms and Conditions of the Notes may be modified, waived or amended in circumstances where a Noteholder does not agree to such modification, waiver or amendment, which may adversely impact the rights of such Noteholder.

Taxation risks on payments

Payments made by the Issuer in respect of the Notes or by the Guarantor in respect of the Guarantee of the Notes could become subject to taxation. See "*Taxation*". Condition 11 (*Taxation*) requires the Issuer and Guarantor to pay additional amounts in certain circumstances in the event that any withholding, deduction

or retention for, or on account of, any present or future taxes, levies, imposts, fees, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the UAE (including the DIFC) and/or Kuwait or any authority therein or thereof having power to tax in respect of payments under the Notes or the Guarantee of the Notes, as the case may be, such that net amounts received by the holders of the Notes after such withholding, deduction or retention shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding, deduction or retention. The circumstances described above may entitle the Issuer to redeem the Notes pursuant to Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*).

Kuwaiti bankruptcy law

In the event of the Guarantor's insolvency, the Kuwaiti insolvency law implemented through Law No. 71 of 2020 (the "**Insolvency Law**") shall apply. The previous Kuwait bankruptcy regime was replaced by the Insolvency Law which has come into full force and effect on 25 July 2021. The Kuwait bankruptcy regime may, in the event of the Guarantor's insolvency, adversely affect the Guarantor's ability to perform its obligations under the Guarantee. In addition, obtaining a final bankruptcy judgment in Kuwait may take several years. There is little precedent to predict how any claims by Noteholders against the Guarantor would be resolved in the event of the Guarantor's insolvency and therefore there can be no assurance that Noteholders will receive payment of their claims in full or at all in these circumstances. Furthermore, in the event of the Guarantor's insolvency, the Insolvency Law may impact the enforcement of the Guarantee of the Notes by or on behalf of the Noteholders as any claims by or on behalf of the Noteholders under the Notes shall be subordinated to rank below the various priority claims set out therein.

The application and enforcement of the Kuwait income tax regime is uncertain, and Noteholders which are "non-GCC corporate entities" may become subject to the Kuwaiti income tax regime in certain limited circumstances

Article 150 (bis) of Law No. 7 of 2010 Concerning the Establishment of the Capital Markets Authority and the Regulating of Securities Activities, (which was introduced pursuant to Law No. 22 of 2015) ("**Article 150 bis**"), provides that, without prejudice to the exemptions prescribed on capital gains tax arising from the disposal of securities issued by companies listed on Boursa Kuwait (previously known as the Kuwait Stock Exchange), the returns from bonds and other similar securities, regardless of the nature of the issuer, are exempt from Kuwaiti tax.

To date, there has been no official statement made by the Department of Income Tax ("**DIT**") regarding its interpretation of Article 150 (bis) and/or its application. Similarly, the Kuwaiti courts (who will be the final arbiters on the matter) have not been required to interpret such provision to date.

Furthermore, the DIT has to date not always adopted consistent rulings on Kuwaiti tax matters more generally. Accordingly, to the extent that the exemption afforded by Article 150 (bis) is held not to apply to the Notes, or to a particular Noteholder, such Noteholder or the Noteholders which are non-GCC corporate entities may become subject to income tax in Kuwait (see "*Taxation – Kuwait*" for further details).

In addition, neither Article 150 (bis) nor Ministry of Finance Administrative Order No. 2028 of 2015 endorsing the provisions thereof, address the issue of whether or not there remains an obligation, as described under "*Taxation – Kuwait – Retention*", to make a deduction of five per cent. of the amount of any payments made by the Guarantor to the Issuer or the Noteholders (if there is a call on the Guarantee of Notes). In the event of any such deduction, the Trust Deed provides that the Guarantor will pay such additional amounts in order that the net amounts received by the Noteholders shall equal the amount which would have been receivable in the absence of such deduction.

Prospective purchasers of the Notes are advised to consult their tax advisers as to the consequences under Kuwaiti and other applicable tax laws of acquiring, holding and disposing of the Notes and receiving payments under the Notes and the Trust Deed.

Trading in the clearing systems

In relation to any issue of Notes which have a minimum denomination and are tradable in the clearing systems in amounts above such minimum denomination which are smaller than it, should definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in

his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination. In relation to Notes which are expressed in the relevant Pricing Supplement to be "Permanent Global Note exchangeable for Definitive Notes", see "*Forms of the Notes – Permanent Global Note exchangeable for Definitive Notes*" and "*Form of Pricing Supplement – General Provisions Applicable to the Notes – Form of Notes*".

Potential conflicts of interest of the Calculation Agent

The Issuer or the Guarantor may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular.

Enforcing foreign judgments and arbitration awards in Kuwait

The Dealer Agreement, the Agency Agreement and the Trust Deed (each as defined in the Conditions) (the "**Documents**") contain a provision allowing for a reference to arbitration or, at the option of the Trustee under the Trust Deed, the Dealers under the Dealer Agreement, and the Paying Agents, Registrar or Calculation Agent under the Paying Agency Agreement, for the courts of England (the "**Courts of England**") and the courts of the DIFC (the "**Courts of the DIFC**") to have jurisdiction to settle any disputes which may arise there under.

Foreign judgments

Although the choice of submission to the jurisdiction of the Courts of England and the Courts of the DIFC in the Documents is valid and binding, if a claim were to be brought before the Kuwaiti Courts, the Kuwaiti Courts could accept jurisdiction in any suit, action or proceedings in the situations identified in Articles 23, 24 and 26 of Decree Law No. 38 of 1980 Enacting the Civil and Commercial Procedure Law (the "**Code**"). These situations include: (a) the defendant in the proceedings expressly or impliedly accepted the jurisdiction of the Kuwaiti Courts; (b) the defendant is a Kuwaiti national or is resident, domiciled or has a place of business or a chosen domicile in the State of Kuwait; or (c) if such legal proceedings relate to property (movable or immovable) located in the State of Kuwait, an obligation is created, executed or required to be performed in the State of Kuwait or a bankruptcy is declared in the State of Kuwait.

There can, therefore, be no assurance that Kuwaiti Courts will decline jurisdiction to adjudicate any dispute under the Notes and the Documents, notwithstanding the provision in the Notes and the Documents providing an option for the Courts of England and the Courts of the DIFC to have jurisdiction to settle any disputes arising thereunder. The Kuwaiti Courts could be influenced when deciding whether or not to decline jurisdiction by the existence of proceedings in relation to such dispute in another jurisdiction.

The enforcement by the Kuwaiti Courts of a monetary judgment (not involving the payment of taxes or the like) obtained in the Courts of England would require the filing of an enforcement action in the Kuwaiti courts. Such action does not involve either a re-trial or an examination of merits of the case; its sole purpose is to establish the compliance by the judgment with the provisions of Article 199 of the Code which requires that: (a) the courts of the jurisdiction in which the judgment was rendered must afford reciprocal treatment to judgments rendered in the State of Kuwait; (b) the judgment must be rendered by a competent authority according to the law of the jurisdiction in which it was rendered; (c) the parties must have been duly summoned to appear and were duly represented at the proceedings; (d) the judgment must be final and unappealable (*res judicata*) according to the law of the jurisdiction in which it was rendered; (e) the judgment

must not contradict any prior judgment rendered by a Kuwaiti court; and, finally (f) the judgment must not contain anything in conflict with the general morals or public order of Kuwait.

In respect of the requirement under Article 199 of the Code that the courts of the jurisdiction in which the judgment was issued must afford reciprocal treatment to judgments issued by the Kuwaiti courts, there is no treaty between Kuwait and the United Kingdom that affords such required reciprocal treatment. There are no known instances of the Courts of England enforcing Kuwaiti judgments, while there are different decisions issued by the Court of Cassation (the highest court in the State of Kuwait) with regard to the enforcement in the State of Kuwait of a monetary judgment issued by the Courts of England. In 2004 and again in 2005, the Court of Cassation had to consider applications for the enforcement in the State of Kuwait of an English judgment. For the application considered in 2004 the Court of Cassation was satisfied that, on the facts, the criteria for enforcement set out in Article 199 of the Code had been satisfied and therefore approved enforcement of the English judgment. However, for the application considered in 2005 the Court of Cassation concluded that the requirements for enforcement under Article 199 of the Code were not met and consequently did not enforce the English judgment. It should be noted that precedents are not binding but are only of persuasive value to the Kuwaiti Courts.

As described above, the Issuer and the Guarantor have each agreed under the Documents to which it is a party, to submit to the exclusive jurisdiction of the Courts of the DIFC and the Courts of England at the option of the Trustee under the Trust Deed, the Dealers under the Dealer Agreement, and the Paying Agents, Registrar or Calculation Agent under the Paying Agency Agreement, in respect of any dispute, claim, difference or controversy arising out of or in connection with such Documents. Dubai Law No. 16 of 2011 on Amending Some Provisions of Law No. 12 of 2004 Concerning the Dubai International Financial Centre Courts ("**Law No. 16 of 2011**") was issued, and came into force in Dubai, on 31 October 2011 and extends the jurisdiction of the Courts of the DIFC to include all civil and commercial disputes where the parties to the relevant dispute have expressly agreed to submit to the jurisdiction of the Courts of the DIFC, even where those parties are unconnected to the Dubai International Financial Centre (the "**DIFC**"). Under Article 7 of Law No. 12 of 2004 as amended by Law No. 16 of 2011, any final and unappealable judgment, order or award issued by the Courts of the DIFC that is appropriate for enforcement in favour of the relevant Noteholders shall, upon application by the relevant Noteholders to the Dubai courts, be enforced by the Dubai courts against the Issuer and each Guarantor without such courts re-examining the merits of the judgment, order or award. Investors should note, however, that as at the date of this Offering Circular, there has been very limited case law relating to Law No. 16 of 2011 and therefore it is not certain as to how the Courts of the DIFC intend to exercise their jurisdiction under the new law should any party dispute the right of the DIFC Courts to hear a particular dispute where such parties are unconnected to the DIFC.

Enforcing DIFC judgments directly (or such judgments which have been ratified by the Dubai courts) in Kuwait under the GCC Convention for the Execution of Judgments, Delegations and Judicial Notifications (the "GCC Convention") and/or the Riyadh Convention on Judicial Cooperation between States of the Arab League (the "Riyadh Convention")

A judgment issued by a court of: (a) a GCC member state (in the case of the GCC Convention), or (b) a signatory state to the Riyadh Convention, will be capable of being executed in Kuwait by virtue of the relevant execution of judgment provisions of the GCC Convention or the Riyadh Convention (as the case may be). It would however not be possible to directly enforce in Kuwait a judgment issued by the Courts of the DIFC (the "**DIFC Court Judgment**") without such DIFC Court Judgment first being recognised by the Kuwaiti courts as one having the equivalent status of a judgment which has been issued by the Dubai Courts (i.e. from a court of a GCC member state under the GCC Convention or a signatory to the Riyadh Convention). Where a DIFC Court Judgment has been processed for enforcement outside of the DIFC in accordance with all relevant enforcement procedures, protocols and/or applications in the Dubai Courts, then the Kuwaiti Courts should, prima facie, recognise the DIFC Court Judgment as one which is equivalent in status to that of a judgment issued by the Dubai Courts. Such DIFC Court Judgment would then be capable of being processed in Kuwait for enforcement as the Kuwait courts will recognise and enforce as a valid judgment, a final and conclusive judgment obtained in the Courts of the DIFC (and as sanctioned by the Dubai Courts), and a judgment based thereon could be given (without re-trial or examination of the merits of the case), provided that the procedural requirements under Article 199 of the Code are complied with as described further above under the heading "Foreign judgments". Investors should note, however, that the foregoing is untested as at the date of this Offering Circular. Moreover, as at the date of this Offering Circular, there is no publicly available legal precedent on the issue of whether the Kuwaiti Courts would treat a DIFC Court Judgment (as ratified for enforcement by the Dubai Courts) as a judgment rendered by

a GCC member state or a signatory to the Riyadh Convention within the meaning of article 3 of the GCC Convention, or article 31 of the Riyadh Convention.

Arbitration awards

Kuwait is a party to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**"). A foreign arbitration award will be recognised and enforced in the State of Kuwait (without re-trial or examination of the merits of the case) in accordance with Article 200 of the Code.

Article 200 of the Code provides that foreign arbitration awards are to be recognised and enforced under the same conditions (applied *mutatis mutandis* to foreign arbitration awards) as are applied in respect of the enforcement of foreign judgments under Article 199 of the Code (as detailed above) but in addition also requires that the subject matter of the award must be considered arbitrable under Kuwaiti law and that the award must be enforceable in the jurisdiction in which it was rendered.

The requirement to establish reciprocal enforcement under Article 199 of the Code with respect to recognition and enforcement of arbitration awards issued in England is satisfied as England and Kuwait are both signatories to the New York Convention.

As noted above, enforcement of a foreign arbitration award or foreign judgment in the State of Kuwait requires the filing of an enforcement action in the Kuwaiti courts. The procedures before Kuwaiti courts, including enforcement actions, can take a relatively long time before a final and non-appealable judgment is issued.

As might be expected for a country of its size, there have not been many occasions upon which the Kuwaiti courts have been asked to consider the enforcement of foreign arbitration awards or foreign judgments and so (notwithstanding that on those occasions when they have been asked to do so they have shown that they will follow the provisions of the Code and enforce an arbitration award) there is not a large body of decided cases in which the practical implications of complying with Article 199 of the Code have been analysed.

Arbitration agreements

The Kuwaiti courts have interpreted a certain Article of Law No. 67 of 1980 Enacting the Civil Code of Kuwait as having the effect that in order for a Kuwaiti company (such as the Guarantor) to validly agree to the resolution of a specific dispute by arbitration, that such company must obtain a special mandate. A special mandate would entail either, (i) ensuring that its Articles of Association permit such company to generally resolve disputes by way of arbitration, or (ii) ensuring that the shareholders of the company have passed a prior or ratifying shareholders' resolution authorising the company to resolve a specific dispute by way of arbitration.

Additionally, Article 184 of Law No. 1 of 2016 Enacting the Companies Law ("**Companies Code**"), as amended, provides that the Articles of Association of a concerned Kuwaiti company must specify (*inter alia*) that, if applicable to such company, the board of directors of a Kuwaiti company (such as the Guarantor) has the authority to agree to bind the same to the resolution of disputes by way of arbitration.

On 5 June 2014, the Guarantor's Articles of Association were amended to generally permit its board of directors to agree on behalf of the Guarantor to the resolution of disputes by arbitration. However, such amendment will not have retrospective effect and will not be effective to validate arbitration agreements entered into by the Guarantor prior to 5 June 2014. There is some uncertainty as to whether the Guarantor's shareholders must specifically resolve to ratify the Guarantor's prior entry into such agreements or whether it is sufficient that its current board of directors do so. As at the date of this Offering Circular, the Guarantor has not obtained such ratifying resolution from its shareholders although it has obtained such ratifying resolution from its board of directors. In the absence of such ratifying resolution from its shareholders there can therefore be no assurance that the Kuwaiti courts would enforce the obligation to arbitrate disputes or enforce an arbitration award granted against the Guarantor in connection with a dispute relating to the Notes issued prior to 5 June 2014.

Risks related to the market generally

Set out below is a description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee of the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Guarantor to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Guarantor or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use, for UK regulatory purposes, ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (i) endorsed by a UK registered credit rating agency; or (ii) issued by a third country credit rating agency that is certified in

accordance with the UK CRA Regulation. Note this is subject, in each case, to: (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended; and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

OVERVIEW OF THE PROGRAMME

The following overview of the Programme does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, is supplemented by the relevant Pricing Supplement. Words and expressions defined in "Forms of the Notes" or "Terms and Conditions of the Notes" below shall have the same meanings in this overview of the Programme.

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

Issuer:	Kuwait Projects Co SPC Limited
Issuer Legal Entity Identifier ("LEI")	254900BQTJEWBK1TAN59
Guarantor:	Kuwait Projects Company (Holding) K.S.C.P.
Risk Factors:	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. These are set out under " <i>Risk Factors</i> ". There are also certain factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee of the Notes. These are also set out under " <i>Risk Factors</i> ". In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under " <i>Risk Factors</i> " and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Arranger:	HSBC Bank plc
Dealers:	Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, HSBC Bank plc, J.P. Morgan Securities plc, Kamco Investment Company K.S.C.P., Mashreqbank psc and Standard Chartered Bank and any other Dealer appointed from time to time by the Issuer and the Guarantor either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Trustee:	BNY Mellon Corporate Trustee Services Limited
Principal Paying Agent:	The Bank of New York Mellon, London Branch
Registrar:	The Bank of New York Mellon acting through its New York office
Pricing Supplement:	<p>Notes issued under the Programme will be issued pursuant to this Offering Circular and associated Pricing Supplement prepared in connection with a particular Tranche of Notes.</p> <p>For a Tranche of Notes which is the subject of Pricing Supplement, the Pricing Supplement will, for the purposes of that Tranche only, supplement the Terms and Conditions of the Notes and this Offering Circular and must be read in conjunction with this Offering Circular. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Pricing Supplement are the Terms and Conditions of the Notes as supplemented to the extent described in the relevant Pricing Supplement.</p>
Listing and Admission to Trading:	Application has been made to the London Stock Exchange for the Notes issued under the Programme during the period of 12 months

from the date of this Offering Circular to be admitted to the ISM and references to listing shall be construed accordingly.

Rating:

The rating of certain Series of the Notes to be issued under the Programme may be specified in the applicable Pricing Supplement. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless: (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation; or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation.

Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless: (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation; or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

Clearing Systems:

Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Pricing Supplement.

Initial Programme Amount:

Up to U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) aggregate principal amount of Notes outstanding and guaranteed at any one time.

The Issuer and the Guarantor may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.

Issuance in Series:

Notes will be issued in Series (each a "**Series**"). Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Forms of Notes:

Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). Registered Notes will not be exchangeable for Bearer Notes and *vice-versa*.

Each Tranche of Notes issued in bearer form will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a

condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be in the form of either Individual Note Certificates or a Global Registered Note, in each case as specified in the relevant Pricing Supplement. Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

Currencies:

Notes may be denominated in U.S. dollars, euro or Renminbi or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Notes having a maturity of less than one year:

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") by the Issuer.

Status of the Notes:

Notes will be issued on an unsubordinated basis.

Status of the Guarantee:

Notes will be unconditionally and irrevocably guaranteed by the Guarantor, on an unsubordinated basis.

Issue Price:

Notes may be issued at any price as specified in the relevant Pricing Supplement. The price and amount of Notes to be issued under the Programme will be determined by the Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Maturities:

Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Redemption:

Subject as described in "*Notes having a maturity of less than one Year*" above, Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Pricing Supplement.

If a Put Event (Restructuring) (as defined in the Conditions) occurs, Notes may be redeemable at par at the option of the relevant Noteholder. See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the option of Noteholders (Restructuring)*".

Optional Redemption: Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement.

Tax Redemption: Except as described in "*Optional Redemption*" above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (*Redemption and Purchase – Redemption for tax reasons*).

Interest: Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

Denominations: No Notes offered to the public either in a Member State of the EEA or in the United Kingdom in circumstances which would otherwise require the publication of a prospectus under either the EU Prospectus Regulation or the UK Prospectus Regulation may be issued under the Programme which have a minimum denomination of less than EUR100,000 (or equivalent in another currency at their issue date). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement subject to compliance with all applicable legal and/or regulatory and/or central bank requirements applicable to the relevant Specified Currency (see "*Notes having a maturity of less than one year*" above).

Negative Pledge: The Notes will have the benefit of a negative pledge as described in Condition 5 (*Covenants*).

Cross Default: The Notes will have the benefit of a cross default provision as described in Condition 12 (*Events of Default*).

Taxation: All payments in respect of Notes will be made free and clear of withholding taxes of the United Arab Emirates (including the Dubai International Financial Centre) or Kuwait, as the case may be, unless the withholding is required by law subject to certain exceptions to the extent provided in Condition 11 (*Taxation*). In that event, the Issuer or (as the case may be) the Guarantor will (subject as provided in Condition 11 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

Governing Law: English law.

Ratings of (i) Notes to be issued under the Programme, (ii) the Issuer and (iii) the Guarantor: The Programme has been rated BB- by Standard & Poor's and Ba2 by Moody's. The Guarantor has been assigned a long term rating and a short term rating of BB- and B, respectively, by Standard & Poor's on credit watch with negative implications and long term rating of Ba2 by Moody's with a negative outlook.

Tranches (as defined below) of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating and the credit rating agency issuing such rating will be

disclosed in the relevant Pricing Supplement, and will not necessarily be the same as the ratings described above or the ratings assigned to Notes already issued. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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 EEA, the United Kingdom, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Bahrain, the State of Kuwait, the Kingdom of Saudi Arabia, Qatar (including the Qatar Financial Centre), the People's Republic of China, Hong Kong and Singapore, see "*Subscription and Sale*" below.

Category 2 selling restrictions will apply for the purposes of Regulation S under the United States Securities Act of 1933, as amended

The Notes in bearer form will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any substantially identical successor U.S. Treasury regulation section including, without limitation, substantially identical regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**") unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any substantially identical successor U.S. Treasury regulation section including, without limitation, substantially identical regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published shall be incorporated in, and form part of, this Offering Circular:

- (a) the auditors' report and audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2020 including the notes thereto (pages 18-27, 28-33 and 34-106 respectively) (available at: <https://kipco.com/wp-content/uploads/2021/04/KIPCO-AR20-EN-FS-V2-min.pdf>);
- (b) the auditors' report and audited consolidated financial statements of the Guarantor for the financial year ended 31 December 2021 including the notes thereto (pages 1-8, 9-14 and 15-96 respectively) (available at: <https://kipco.com/wp-content/uploads/2022/03/KIPCO-signed-FS-31-DEC-2021-English-compressed.pdf>);
- (c) the auditors' review report and the unaudited interim condensed consolidated financial information of the Guarantor for the six months ended 30 June 2022 including the notes thereto (pages 1, 2-7 and 8-25 respectively) (available at: https://kipco.com/wp-content/uploads/2022/08/KIPCO-Eng-FS-signed-30-June-2022_compressed.pdf);
- (d) the auditor's report and audited consolidated financial statements of QPIC for the financial year ended 31 March 2022 including the notes thereto (pages 1-5, 6-10 and 11-53 respectively) (available at: https://www.qpic-kw.com/en/view_pdf?path=https://www.qpic-kw.com/download/financial/88/cf156a54ffa39188f5e271360d368120.pdf);
- (e) the auditors' review report and the unaudited interim condensed consolidated financial information of QPIC for the nine months ended 31 December 2021 including the notes thereto (pages 1, 2-6 and 7-17 respectively) (available at: https://www.qpic-kw.com/en/view_pdf?path=https://www.qpic-kw.com/download/financial/87/4598dce0948c0ffaa8f010398e509252.pdf); and
- (f) the auditors' review report and the unaudited interim condensed consolidated financial information of QPIC for the three months ended 30 June 2022 including the notes thereto (pages 1, 2-6 and 7-16 respectively) (available at: https://www.qpic-kw.com/en/view_pdf?path=https://www.qpic-kw.com/download/financial/89/1a87d087d84b209bd3a5c1573e0b2e59.pdf).

The audited consolidated financial statements of each of the Guarantor and QPIC have been prepared in accordance with IFRS. The unaudited interim condensed consolidated financial information of the each of Guarantor and QPIC have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Following the publication of this Offering Circular, a supplement may be prepared by the Issuer and the Guarantor and approved by the ISM in accordance with the rules of the ISM. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form a part of this Offering Circular.

Only certain parts of the documents referred to above are incorporated by reference in this Offering Circular. The non-incorporated parts of the documents referred to above are either not relevant for investors or are covered elsewhere in this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained free of charge from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London.

The Issuer and the Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

PRICING SUPPLEMENT

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor, the rights attaching to the Notes and the Issuer's ability to make payments due under the Notes.

In relation to the different types of Notes which may be issued under the Programme, the Issuer and the Guarantor have endeavoured to include in this Offering Circular all of the necessary information except for information relating to the Notes which is not known at the date of this Offering Circular and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Offering Circular and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained in the relevant Pricing Supplement.

For a Tranche of Notes which is the subject of Pricing Supplement, the Pricing Supplement will, for the purposes of that Tranche only, supplement this Offering Circular and must be read in conjunction with this Offering Circular. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Pricing Supplement are the Conditions as supplemented to the extent described in the relevant Pricing Supplement.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system.

The relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any substantially identical successor United States Treasury Regulation section, including without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any substantially identical successor United States Treasury Regulation section, including without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than one year, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; **provided, however, that** in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**"):

- (i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Pricing Supplement; or

- (iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or has in fact done so and no successor clearing system satisfactory to the Trustee is available or (b) an Event of Default as defined in Condition 12 (*Events of Default*) occurs.

The Permanent Global Note will also become exchangeable, in whole but not in part and at the option of the Issuer, for Definitive Notes if, by reason of any change in the laws of the United Arab Emirates (including the Dubai International Financial Centre) or Kuwait, the Issuer or the Guarantor is or will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes were in definitive form.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange).

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes on or after the day following the expiry of 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes on or after the day following the expiry of 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

In relation to any issue of Notes which are expressed to be Temporary Global Notes exchangeable for Definitive Notes in accordance with this option, such notes may only be issued in denominations equal to, or greater than EUR 100,000 (or equivalent) and integral multiples thereof.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange).

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Pricing Supplement; or
- (iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or has in fact done so and no successor clearing system satisfactory to the Trustee is available or (b) an Event of Default as defined in Condition 12 (*Events of Default*) occurs.

If the relevant Pricing Supplement specify the form of Notes as "Permanent Global Note exchangeable for Definitive Notes" in circumstances other than "in the limited circumstances specified in the Permanent Global Note", such Notes may only be issued in denominations equal to or greater than EUR 100,000 (or equivalent) and integral multiples thereof.

The Permanent Global Note will also become exchangeable, in whole but not in part and at the option of the Issuer, for Definitive Notes if, by reason of any change in the laws of the United Arab Emirates (including the Dubai International Financial Centre) or Kuwait, the Issuer or the Guarantor is or will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes were in definitive form.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange).

Terms and Conditions applicable to the Bearer Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which supplement those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Notes where TEFRA D is specified in the applicable Pricing Supplement, the Notes in permanent global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"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."

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form ("**Individual Note Certificates**") or a global Note in registered form (a "**Global Note Certificate**"), in each case as specified in the relevant Pricing Supplement. Each Global Note Certificate will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Pricing Supplement specify the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Pricing Supplement specify the form of Notes as being "Global Note Certificate exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Note Certificate which will be exchangeable in whole, but not in part, for Individual Note Certificates if the relevant Pricing Supplement specify "in the limited circumstances described in the Global Note Certificate", then if either of the following events occurs (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or has in fact done so and no successor clearing system satisfactory to the Trustee is available or (b) an Event of Default as defined in Condition 12 (*Events of Default*).

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Registered Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which supplement those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

- (a) **Programme:** Kuwait Projects Co SPC Limited (the "**Issuer**") is the Issuer under a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.\$3,000,000,000 in aggregate principal amount of notes (the "**Notes**") guaranteed by Kuwait Projects Company (Holding) K.S.C.P. (the "**Guarantor**").
- (b) **Pricing Supplement:** 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 pricing supplement (the "**Pricing Supplement**") which supplement these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail. References in these Conditions to the "relevant Pricing Supplement" are to Part A of the Pricing Supplement (or the relevant provisions thereof).
- (c) **Trust Deed:** The Notes are constituted by an amended and restated trust deed dated 4 October 2022 (as amended or supplemented from time to time) (the "**Trust Deed**") between the Issuer, the Guarantor and BNY Mellon Corporate Trustee Services Limited as trustee (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees appointed under the Trust Deed).
- (d) **Agency Agreement:** The Notes have the benefit of an amended and restated paying agency agreement dated 4 October 2022 (the "**Agency Agreement**") (as amended or supplemented from time to time) between the Issuer, the Guarantor, the Trustee, The Bank of New York Mellon (acting through its New York office) in its capacity as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in accordance with the Agency Agreement in connection with the Notes), The Bank of New York Mellon, London Branch in its capacity as the principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in accordance with the Agency Agreement in connection with the Notes) and the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes, and together with the Calculation Agent, the "**Agents**").
- (e) **The Notes:** All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for inspection by Noteholders during normal business hours at the Specified Office of the Principal Paying Agent, the initial Specified Office of which is set out below.
- (f) **Summaries:** Certain provisions of these Conditions are summaries of the Agency Agreement and the Trust Deed and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Trust Deed applicable to them. Copies of the Agency Agreement and the Trust Deed are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents and the Registrar, the initial Specified Offices of which are set out below.

2. Interpretation

- (a) **Definitions:** In these Conditions the following expressions have the following meanings:

"2006 ISDA Definitions" means in relation to a Series of Notes, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series) published by ISDA (copies of which may be obtained from ISDA at www.isda.org);

"2021 ISDA Definitions" means, in relation to a Series of Notes, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Notes of such Series, as published by ISDA on its website (www.isda.org);

"€STR" has the meaning given in Condition 7(d)(viii);

"Accrual Yield" has the meaning given in the relevant Pricing Supplement;

"Additional Business Centre(s)" means the city or cities specified as such in the relevant Pricing Supplement;

"Additional Financial Centre(s)" means the city or cities specified as such in the relevant Pricing Supplement;

"Business Day" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;
- (ii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong;
- (iii) in relation to any sum payable in a currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and
- (iv) in respect of Notes for which the Reference Rate is specified as SOFR in the relevant Pricing Supplement, has the meaning given in Condition 7(d)(viii);

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

- (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
- (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Principal Paying Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"CNY" means the lawful currency of the PRC;

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"Day Count Fraction" means (subject as provided in Condition 6 (*Fixed Rate Note Provisions*) and Condition 7 (*Floating Rate Note Provisions*)), in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (i) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if **"Actual/365"** or **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if **"30/360"**, **"360/360"** or **"Bond Basis"** is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

where:

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

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

- (vii) if "**30E/360 (ISDA)**" is so specified, means the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

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

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

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and in New York City;

"**Determination Date**" means the day which is two Determination Business Days before the due date for any payment of the relevant amount under these Conditions;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

"**EIBOR**" means, in respect of a Emirati Dirham-denominated issuance and any specified period, the interest rate benchmark known as the Emirates Interbank Offered Rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Central Bank of the United Arab Emirates based on estimated interbank Dirham-denominated borrowing rates on various maturities which are provided by a panel of contributor banks (details of historic EIBOR rates can be obtained from the designated distributor);

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

"**Event of Default**" means any of the events described in Condition 12 (*Events of Default*);

"**Extraordinary Resolution**" has the meaning given in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Fixed Rate Notes**" means a Note on which interest is calculated at a fixed rate payable in arrears on a fixed date or dates in each year and on redemption or on such other dates as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the relevant Pricing Supplement);

"**Floating Rate Notes**" means a Note on which interest is calculated at a floating rate payable at intervals of one, two, three, six or twelve months or at such other intervals as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the relevant Pricing Supplement);

"Governmental Authority" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

"Guarantee of the Notes" means the guarantee of the Notes given by the Guarantor in the Trust Deed;

"HIBOR" means, in respect of a Hong Kong Dollar-denominated issuance and any specified period, the interest rate benchmark known as the Hong Kong Interbank Offered Rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Hong Kong Association of Banks (HKAB) based on estimated interbank Hong Kong Dollar-denominated borrowing rates on various maturities which are provided by a panel of contributor banks (details of historic HIBOR rates can be obtained from the designated distributor);

"Holder" means a Holder of Registered Notes or, as the context requires, the holder of a Bearer Note or of a Coupon;

"Holder of Registered Notes" means the person in whose name a Registered Note is registered in the Register (or, in the case of a joint holding, the first named thereof);

"Hong Kong" means the Hong Kong Special Administrative Region of the PRC;

"IFRS" means International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the International Financial Reporting Interpretations Committee of IASB (as amended, supplemented or re-issued from time to time);

"Illiquidity" means that the general Renminbi exchange market in Hong Kong has become illiquid and, as a result of which, the Issuer or the Guarantor cannot obtain sufficient Renminbi in order to make a payment under the Notes, as determined by the Issuer or the Guarantor in good faith and in a commercially reasonable manner following consultation (if practicable) with two Renminbi Dealers;

"Inconvertibility" means the occurrence of any event that makes it impossible for the Issuer or the Guarantor to convert any amount due in respect of the Notes into Renminbi on any payment date in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant series and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"Indebtedness" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;

- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and IFRS, be treated as finance or capital leases;
- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Independent Adviser" means an independent financial institution of international repute or any independent financial adviser of recognised standing with relevant experience in the international debt capital markets, in each case appointed by the Issuer at its own expense;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period (other than adjusted Renminbi Fixed Rate Notes);

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"Interest Determination Date" has the meaning given in the relevant Pricing Supplement;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

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

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date (or, if the Notes are redeemed on any earlier date, the relevant redemption date);

"Investment Grade Rating" means a rating of at least investment grade (BBB-/ Baa3/ BBB-, or their respective equivalents for the time being) from a Rating Agency;

"ISDA" means the International Swaps and Derivatives Association, Inc. (or any successor);

"ISDA Definitions" means 2006 ISDA Definitions or the 2021 ISDA Definitions, as specified in the relevant Pricing Supplement;

"Issue Date" has the meaning given in the relevant Pricing Supplement;

"KIBOR" means, in respect of a KD-denominated issuance and any specified period, the interest rate benchmark known as the Kuwait Interbank Offered Rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Central Bank of Kuwait based on estimated interbank KD-denominated borrowing rates on various maturities which are provided by a panel of contributor banks (details of historic KIBOR rates can be obtained from the designated distributor);

"KLIBOR" means, in respect of a Malaysian Ringgit-denominated issuance and any specified period, the interest rate benchmark known as the Kuala Lumpur Interbank Offered Rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of Bank Negara Malaysia based on estimated interbank

Malaysian Ringgit-denominated borrowing rates on various maturities which are provided by a panel of contributor banks (details of historic KLIBOR rates can be obtained from the designated distributor);

"London Banking Day" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"Margin" has the meaning given in the relevant Pricing Supplement;

"Maturity Date" has the meaning given in the relevant Pricing Supplement;

"Maximum Rate of Interest" has the meaning given in the relevant Pricing Supplement, including any relevant Margin;

"Maximum Redemption Amount" has the meaning given in the relevant Pricing Supplement;

"Minimum Rate of Interest" for any Interest Period has the meaning given in the relevant Pricing Supplement but shall never be less than zero, including any relevant Margin;

"Minimum Redemption Amount" has the meaning given in the relevant Pricing Supplement;

"Non-transferability" means the occurrence of any event that makes it impossible for the Issuer or the Guarantor to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended) or from an account outside Hong Kong to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the Relevant Series and it is impossible for the Issuer or the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation);

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"Optional Redemption Date (Call)" has the meaning given in the relevant Pricing Supplement;

"Optional Redemption Date (Put)" has the meaning given in the relevant Pricing Supplement;

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

"Payment Business Day" means:

- (i) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation or of surrender or endorsement (in the case of Registered Notes), are open for presentation and payment of bearer debt securities or for surrender or endorsement of note certificates and payment, (in the case of Registered Notes), and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre; and
 - (C) in the case of any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; or

- (ii) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation or of surrender or endorsement (in the case of Registered Notes), are open for presentation and payment of bearer debt securities, or for surrender or endorsement of note certificates and payment, (in the case of Registered Notes), and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre;

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

"PRC" means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

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

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Economic Area or the United Kingdom as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means Sydney and, in relation to New Zealand dollars, it means Auckland;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"Rating Agency" means (i) Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. and its successors and (ii) Moody's Deutschland GmbH and its successors or any other internationally recognised rating agency which has at the request of the Guarantor for the time being assigned a credit rating to the Guarantor;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

"Reference Banks" means four major banks selected by the Calculation Agent, in consultation with the Issuer, in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Pricing Supplement;

"Reference Rate" means one of the following benchmark rates (as specified in the relevant Pricing Supplement) in respect of the currency and period specified in the relevant Pricing Supplement:

- (i) €STR;

- (ii) EURIBOR;
- (iv) EIBOR KIBOR;
- (v) HIBOR;
- (vi) KLIBOR;
- (vii) SAIBOR;
- (viii) SHIBOR;
- (ix) SIBOR;
- (x) SOFR
- (xi) SONIA
- (xii) TRLIBOR or TRYLIBOR; and
- (xiii) TIBOR;

"Register" means the register maintained by the Registrar in respect of the Registered Notes in accordance with the Agency Agreement;

"Registrar" means, in relation to any Series of Registered Notes, The Bank of New York Mellon;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee as the case may be on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Financial Centre" has the meaning given in the relevant Pricing Supplement;

"Relevant Indebtedness" means any present and future Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is or is capable of being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"Relevant Nominating Body" means, in respect of a Reference Rate:

- (i) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:
 - (A) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate relates;
 - (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate;
 - (C) a group of the aforementioned central banks or other supervisory authorities;
 - (D) the International Swaps and Derivatives Association, Inc. or any part thereof; or
 - (E) the Financial Stability Board or any part thereof;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, the Reuter Money 3000 Service and the Telerate Service) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Pricing Supplement;

"Renminbi" means the lawful currency of the PRC;

"Renminbi Dealer" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;

"Reserved Matter" means any proposal (i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment; (ii) to effect the exchange or substitution of Notes for, or the conversion of Notes into, shares, bonds or other obligations or securities of the Issuer or the Guarantor or any other person or body corporate formed or to be formed (other than in relation to Condition 16(c) (*Substitution*)); (iii) to change the currency in which amounts due in respect of Notes are payable; (iv) to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution; or (v) to amend this definition;

"SAIBOR" means, in respect of a Saudi Arabian Riyal-denominated issuance and any specified period, the interest rate benchmark known as the Saudi Riyal Interbank Offered Rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Saudi Arabian Monetary Agency through Riyadh Bank based on estimated interbank Saudi Arabian Riyal-denominated borrowing rates on various maturities which are provided by a panel of contributor banks (details of historic SAIBOR rates can be obtained from the designated distributor);

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"SHIBOR" means, in respect of a Renminbi-denominated issuance and any specified period, the interest rate benchmark known as the Shanghai Interbank Offered Rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the National Interbank Funding based on estimated interbank Renminbi-denominated borrowing rates on various maturities which are provided by a panel of contributor banks (details of historic SHIBOR rates can be obtained from the designated distributor);

"SIBOR" means, in respect of a Singapore Dollar-denominated issuance and any specified period, the interest rate benchmark known as the Singapore Interbank Offered Rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Association of Banks in Singapore based on estimated interbank Singapore Dollar-denominated borrowing rates on various maturities which are provided by a panel of contributor banks (details of historic SIBOR rates can be obtained from the designated distributor);

"Specified Currency" has the meaning given in the relevant Pricing Supplement;

"Specified Denomination(s)" has the meaning given in the relevant Pricing Supplement;

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

"Specified Period" has the meaning given in the relevant Pricing Supplement;

"SOFR" has the meaning given in Condition 7(d)(viii);

"SOFR Determination Time" has the meaning given in Condition 7(d)(viii);

"SONIA" has the meaning given in Condition 7(d)(viii);

"Spot Rate" means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over the counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate;

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

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and IFRS, consolidated with those of the first Person;

"Talon" means a talon for further Coupons;

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system;

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

"TIBOR" means, in respect of a EuroYen-denominated issuance and any specified period, the interest rate benchmark known as the Tokyo Interbank Offered Rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Japan Bankers Association based on estimated interbank EuroYen-denominated borrowing rates on various maturities which are provided by a panel of contributor banks (details of historic TIBOR rates can be obtained from the designated distributor);

"Treaty" means the Treaty on the Functioning of the European Union, as amended;

"TRLIBOR" or "TRYLIBOR" means, in respect of a Turkish Lira-denominated issuance and any specified period, the interest rate benchmark known as the Turkish Lira Interbank Offered Rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the Bank Association of Turkey based on estimated interbank Turkish Lira-denominated borrowing rates on various maturities which are provided by a panel of contributor banks (details of historic TRLIBOR or TRYLIBOR rates can be obtained from the designated distributor);

"U.S. Dollar Equivalent" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date; and

"Zero Coupon Note" means a Note specified as such in the relevant Pricing Supplement.

(b) **Interpretation:** In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*) or any undertaking given in addition to, or in substitution for, that Condition, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) or any undertaking given in addition to, or in substitution for, that Condition and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes;
- (viii) any reference to the Agency Agreement or the Trust Deed shall be construed as a reference to the Agency Agreement or the Trust Deed, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes; and
- (ix) any reference in these Conditions 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

3. **Form, Denomination, Transfer and Title**

Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**") as specified in the relevant Pricing Supplement. Registered Notes may not be exchanged for Bearer Notes and *vice-versa*.

- (a) **Notes in Bearer Form:** Bearer Notes are issued in the Specified Denomination(s) with Coupons and, if specified in the form of Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the

Bearer Notes and the Coupons will pass by delivery. The Holder of any Bearer Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Bearer Note under the Contracts (Rights of Third Parties) Act 1999.

- (b) **Notes in registered form:** Registered Notes are issued in the Specified Denomination(s) and may be held in holdings equal to any specified minimum amount and integral multiples equal to any specified increments (as specified in the relevant Pricing Supplement) in excess thereof (each, an "**Authorised Holding**"). The Holder of each Registered Note shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder.

(c) **Register and Transfers of Registered Notes**

- (i) **Register:** The Registrar will maintain the Register in accordance with the provisions of the Agency Agreement. A Note Certificate (as defined in the Trust Deed) will be issued to each Holder of Registered Notes in respect of its holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (ii) **Transfers:** Subject to Conditions 3(c)(v) (*Closed periods*) and 3(c)(vi) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar, together with such evidence as the Registrar may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Authorised Holdings. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (iii) **Registration and delivery of Note Certificates:** Within 5 business days of the surrender of a Note Certificate in accordance with Condition 3(c)(ii) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each Holder of Registered Notes at its Specified Office or (at the request and risk of any such relevant Holder of Registered Notes) by uninsured first class mail (airmail if overseas) to the address specified for the purposes by such Holder of Registered Notes. In this paragraph, "**business day**" means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city where the Registrar is located.
- (iv) **No charge:** The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (v) **Closed periods:** Holders of Registered Notes may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (vi) **Regulations concerning transfers and registration:** All transfers of Registered Notes and entries in the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Holder of Registered Notes who requests in writing a copy of such regulation.

4. **Status and Guarantee**

- (a) **Status of the Notes:** The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) **Guarantee of the Notes:** The Guarantor has in the Trust Deed 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 constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated 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. **Covenants**

- (a) **Negative Pledge:** So long as any Note remains outstanding, neither the Issuer nor the Guarantor shall create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or any Guarantee of any Relevant Indebtedness;

6. **Fixed Rate Note Provisions**

- (a) **Application:** This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) **Accrual of interest:** The Notes (other than where the specified currency is Renminbi and the applicable Pricing Supplement specify a Business Day Convention to be applicable) bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). In the case of a Fixed Rate Note where the Specified Currency is Renminbi and the applicable Pricing Supplement specifies a Business Day Convention to be applicable (an "**Adjusted Renminbi Fixed Rate Note**"), each Interest Payment Date (and, accordingly, the relevant Calculation Period) will be adjusted (if required) in accordance with the relevant Business Day Convention. Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Specified Denomination of Notes is a multiple of the Calculation Amount, shall be the product of the amount for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.
- (d) **Calculation of interest amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest for such period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note Provisions**

- (a) **Application:** This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) **Accrual of interest:** The Notes bear interest from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (*Floating Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is five days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such fifth day (except to the extent that there is any subsequent default in payment).
- (c) **Screen Rate Determination for Floating Rate Notes not referencing SONIA, SOFR or €STR**

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are (other than in respect of Notes for which SONIA, SOFR or €STR is specified as the Reference Rate in the relevant Pricing Supplement) to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

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

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

rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) **Screen Rate Determination for Floating Rate Notes referencing SOFR, SONIA or €STR**

- (i) If (1) Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, (2) any of SONIA, SOFR or €STR is specified in the relevant Pricing Supplement as the Reference Rate and (3) Index Determination is specified in the relevant Pricing Supplement as being not applicable:
 - (A) where the Calculation Method in respect of the relevant Series of Notes is specified in the relevant Pricing Supplement as being "**Compounded Daily**", the Rate of Interest for each Interest Period will, subject as provided below, be the Compounded Daily Reference Rate plus or minus (as indicated in the relevant Pricing Supplement) the Margin, all as determined by the Calculation Agent;
 - (B) where the Calculation Method in respect of the relevant Series of Floating Rate Notes is specified in the relevant Pricing Supplement as being "**Weighted Average**", the Rate of Interest for each Interest Period will, subject to as provided below, be the Weighted Average Reference Rate (as defined below) plus or minus (as indicated in the relevant Pricing Supplement) the Margin and will be calculated by the Calculation Agent on the Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards;
- (ii) Where "**SONIA**" is specified as the Reference Rate in the relevant Pricing Supplement, if, in respect of any Business Day, SONIA is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such Reference Rate shall, subject to Condition 7(l) (*Benchmark Replacement – Independent Advisor*), be:
 - (A) (1) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day; plus (2) the mean of the spread of SONIA to the Bank Rate over the previous five Business Days on which SONIA has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or
 - (B) if the Bank Rate is not published by the Bank of England at 5.00 p.m. (or, if earlier, close of business) on the relevant Business Day, (1) the SONIA rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding Business Day on which the SONIA rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (2) if this is more recent, the latest determined rate under (2) above,and in each case, "SONIA" in this Condition 7(d)(ii) shall be interpreted accordingly.
- (iii) Where "**SOFR**" is specified as the Reference Rate in the relevant Pricing Supplement, if, in respect of any Business Day, SOFR is not available on the Relevant Screen Page, subject to Condition 7(m) (*Benchmark Replacement – SOFR*), such Reference Rate shall be the SOFR for the first preceding Business Day on which the SOFR was published on the Relevant Screen Page; (and "SOFR" in this Condition 7(d)(iii) shall be interpreted accordingly).
- (iv) Where "**€STR**" is specified as the Reference Rate in the relevant Pricing Supplement if, in respect of any Business Day, €STR is not available on the Relevant Screen Page, subject to Condition 7(l) (*Benchmark Replacement – Independent Advisor*), such Reference Rate shall be the €STR for the first preceding Business Day on which the €STR was published

on the Relevant Screen Page; and "€STR" in this Condition 7(d)(iv) shall be interpreted accordingly).

- (v) If "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement as being applicable, all references in these Conditions to interest on the Notes being payable on an Interest Payment Date shall be read as references to interest on the Notes being payable on an Effective Interest Payment Date instead.
- (vi) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, but without prejudice to Condition 7(l) (*Benchmark Replacement – Independent Advisor*) or Condition 7(m) (*Benchmark Replacement – SOFR*), as applicable, the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (although substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).
- (vii) If the relevant Series of Notes become due and payable in accordance with Condition 9 (*Redemption and Purchase*) or Condition 12 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Pricing Supplement, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.
- (viii) For the purposes of this Condition 7(d):

"€STR" means, in respect of any Business Day, a reference rate equal to the daily euro short-term rate for such euro Business Day as provided by the European Central Bank, as the administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the Business Day immediately following such Business Day in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of such rate);

"Applicable Period" means,

- (A) where "Lag", "Lock-out" or "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, the relevant Interest Period; and
- (B) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the Observation Period relating to such Interest Period;

"Business Day" in this Condition 7(d) means:

- (A) where "SOFR" is specified as the Reference Rate, any day which is a U.S. Government Securities Business Day and is not a legal holiday in New York and is not a date on which banking institutions in New York are authorised or required by law or regulation to be closed;
- (B) where "SONIA" is specified as the Reference Rate, any day which is a London Banking Day; and

(C) where "€STR" is specified as the Reference Rate, a TARGET Settlement Day;

"**Compounded Daily Reference Rate**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the relevant Pricing Supplement and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

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

"**D**" is the number specified in the relevant Pricing Supplement;

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

"**d₀**" means, for the relevant Applicable Period, the number of Business Days in such Applicable Period;

"**Effective Interest Payment Date**" means any date or dates specified as such in the relevant Pricing Supplement;

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

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

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

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

"**Observation Period**" means, in respect of an Interest Period, the period from and including the date falling "p" Business Days prior to the first day of the relevant Interest Period and ending on, but excluding, the date which is "p" Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" means, for any Interest Period:

(D) where "Lag" is specified as the Observation Method in the relevant Pricing Supplement, the number of Business Days included in the Observation Look-back Period specified in the relevant Pricing Supplement (or, if no such number is specified, five Business Days);

(E) where "Lock-out" or "Payment Delay" is specified as the Observation Method in the relevant Pricing Supplement, zero; or

(F) where "Observation Shift" is specified as the Observation Method in the relevant Pricing Supplement, the number of Business Days included in the Observation Look-back Period specified in the relevant Pricing Supplement (or, if no such number is specified, five Business Days);

"**r**" means:

- (A) where in the relevant Pricing Supplement "SONIA" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day;
- (B) where in the relevant Pricing Supplement "SOFR" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the SOFR in respect of such Business Day;
- (C) where in the relevant Pricing Supplement "€STR" is specified as the Reference Rate and either "Lag" or "Observation Shift" is specified as the Observation Method, in respect of any Business Day, the €STR in respect of such Business Day;
- (D) where in the relevant Pricing Supplement "SONIA" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
 - (1) in respect of any Business Day "i" that is a Reference Day, the SONIA rate in respect of the Business Day immediately preceding such Reference Day, and
 - (2) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SONIA rate in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date);
- (E) where in the relevant Pricing Supplement "SOFR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
 - (1) in respect of any Business Day "i" that is a Reference Day, the SOFR in respect of the Business Day immediately preceding such Reference Day, and
 - (2) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the SOFR in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date);
- (F) where in the relevant Pricing Supplement "€STR" is specified as the Reference Rate and "Lock-out" is specified as the Observation Method:
 - (1) in respect of any Business Day "i" that is a Reference Day, the €STR in respect of the Business Day immediately preceding such Reference Day, and
 - (2) in respect of any Business Day "i" that is not a Reference Day (being a Business Day in the Lock-out Period), the €STR in respect of the Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the Interest Determination Date);
- (G) where in the relevant Pricing Supplement "SONIA" is specified as the Reference Rate and "Payment Delay" is specified as the Observation Method, in respect of any Business Day, the SONIA rate in respect of such Business Day, provided however that, in the case of the last Interest Period, in respect of each Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, "r" shall be the SONIA rate in respect of the Rate Cut-off Date;

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

"Rate Cut-off Date" has the meaning given in the relevant Pricing Supplement;

"Reference Day" means each Business Day in the relevant Interest Period, other than any Business Day in the Lock-out Period;

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

"SOFR" means, in respect of any Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Federal Reserve's Website, in each case on or about 3:00 p.m. (New York City Time) on the Business Day immediately following such Business Day (the **"SOFR Determination Time"**);

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

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

"Weighted Average Reference Rate" means:

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

Reference Rate by the number of days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, provided however that for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Business Day immediately preceding such calendar day.

(e) ***SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)***

If (i) Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined and (ii) Index Determination is specified in the relevant Pricing Supplement as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left(\frac{\text{Compounded Index End}}{\text{Compounded Index Start}} - 1 \right) \times \frac{\text{Numerator}}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

"Compounded Index" shall mean either (i) the SONIA Compounded Index where the "SONIA" is specified as the Reference Rate in the relevant Pricing Supplement or (ii) the SOFR Compounded Index where the "SOFR" is specified as the Reference Rate in the relevant Pricing Supplement;

"d" is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

"End" means the relevant Compounded Index value on the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"Index Days" means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

"Numerator" means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

"Relevant Decimal Place" shall, unless otherwise specified in the relevant Pricing Supplement, be the fifth decimal place in the case of each of the SONIA Compounded Index and the SOFR Compounded Index, in each case rounded up or down, if necessary (with 0.000005 being rounded upwards);

"Relevant Number" is as specified in the relevant Pricing Supplement but, unless otherwise specified shall be five;

"SOFR Compounded Index" means the value of the index known as the SOFR Index as published at 3:00 pm (New York City time) by the Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source;

"SONIA Compounded Index" means the value of the index known as the SONIA Compounded Index as published at 10:00 am (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source; and

"Start" means the relevant Compounded Index value determined in relation to on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

Provided that a Benchmark Event has not occurred in respect of SONIA or a Benchmark Transition Event and its related Benchmark Replacement Date has not occurred in respect of SOFR, if, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period in accordance with Condition 7(d) (*Screen Rate Determination for Floating Rate Notes referencing SOFR, SONIA or €STR*) as if Index Determination was specified in the relevant Pricing Supplement as being not applicable. For these purposes, (i) the Calculation Method shall be deemed to be Compounded Daily, (ii) the Observation Method shall be deemed to be Observation Shift, (iii) the Observation Look-back Period shall be deemed to be the Relevant Number (as defined in this Condition 7(e)) and (iv) "D" shall be deemed to be the Numerator as defined in this Condition 7(e). If a Benchmark Event has occurred in respect of SONIA, the provisions of Condition 7(l) (*Benchmark Replacement – Independent Advisor*) shall apply mutatis mutandis in respect of this Condition 7(e) and if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, the provision of Condition 7(m) (*Benchmark Replacement - SOFR*) shall apply mutatis mutandis in respect of this Condition 7(e), as applicable.

(f) ***ISDA Determination***

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin (if any) and the relevant ISDA Rate where **"ISDA Rate"** in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) if the relevant Pricing Supplement specifies either **"2006 ISDA Definitions"** or **"2021 ISDA Definitions"** as the applicable ISDA Definitions:
 - (A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;
 - (B) the Designated Maturity, if applicable, is a period specified in the relevant Pricing Supplement; and
 - (C) the relevant Reset Date, unless otherwise specified in the relevant Pricing Supplement, has the meaning given to it in the ISDA Definitions;
- (ii) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Compounding is specified to be applicable in the relevant Pricing Supplement and:
 - (A) if Compounding with Lookback is specified as the Compounding Method in the relevant Pricing Supplement then (1) Compounding with Lookback is the Overnight Rate Compounding Method and (2) Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement;
 - (B) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Pricing Supplement then (1) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (2) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement and (3) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Pricing Supplement; or

- (C) if Compounding with Lockout is specified as the Compounding Method in the relevant Pricing Supplement then (1) Compounding with Lockout is the Overnight Rate Compounding Method, (2) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement;
- (iii) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the ISDA Definitions), Averaging is specified to be applicable in the relevant Pricing Supplement and:
 - (A) if Averaging with Lookback is specified as the Averaging Method in the relevant Pricing Supplement then (1) Averaging with Lookback is the Overnight Rate Averaging Method and (2) Lookback is the number of Applicable Business Days (as defined in the ISDA Definitions) specified in relevant Pricing Supplement;
 - (B) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Pricing Supplement then (1) Averaging with Overnight Period Shift is the Overnight Rate Averaging Method, (2) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement and (3) Observation Period Shift Additional Business Days (as defined in the ISDA Definitions), if applicable, are the days specified in the relevant Pricing Supplement; or
 - (C) if Averaging with Lockout is specified as the Averaging Method in the relevant Pricing Supplement then (1) Averaging with Lockout is the Overnight Rate Averaging Method, (2) Lockout is the number of Lockout Period Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement and (3) Lockout Period Business Days, if applicable, are the days specified in the relevant Pricing Supplement; and
- (iv) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift (as defined in the ISDA Definitions) shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the ISDA Definitions) specified in the relevant Pricing Supplement and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Pricing Supplement;
- (v) references in the ISDA Definitions to:
 - (A) **"Confirmation"** shall be references to the relevant Pricing Supplement;
 - (B) **"Calculation Period"** shall be references to the relevant Interest Period;
 - (C) **"Termination Date"** shall be references to the Maturity Date;
 - (D) **"Effective Date"** shall be references to the Interest Commencement Date;
- (vi) if the relevant Pricing Supplement specifies **"2021 ISDA Definitions"** as being applicable:
 - (A) "Administrator/Benchmark Event" shall be disappplied; and
 - (B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate";
- (vii) For the purposes of this Condition 7(f):

"Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date", "Overnight Floating Rate Option", "Overnight Rate Compounding Method", "Compounding with Lookback", "Compounding with Observation Period Shift", "Compounding with Lockout", "Averaging with Lookback", "Averaging with Observation Period Shift", "Averaging with Lockout" and "Compounded Index Method with Observation Period Shift" have the meanings given to those terms in the ISDA Definitions

- (g) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (h) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (i) **Calculation of other amounts:** If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.
- (j) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Issuer, the Guarantor, the Paying Agents, the Trustee and the listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 19 (*Notices*). The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (k) **Notifications etc:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 (*Floating Rate Note Provisions*) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Trustee, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent or the Trustee in connection with the exercise or non-exercise by them of their respective powers, duties and discretions for such purposes.
- (l) **Benchmark Replacement – Independent Advisor**

Notwithstanding the provisions above in this Condition 7 (*Floating Rate Note Provisions*) and other than in the case of a U.S. dollar-denominated Floating Rate Note for which the Reference Rate is specified in the relevant Pricing Supplement as being "SOFR", if the Issuer (in consultation, to the extent practicable, with the Calculation Agent or such other person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s)) determines that a Benchmark Event has occurred when any Rate of Interest (or the

relevant component part thereof) remains to be determined by reference to a Reference Rate, then the following provisions shall apply:

- (i) the Issuer shall use reasonable endeavours to appoint an Independent Adviser as soon as reasonably practicable to determine a Successor Rate or, alternatively, if the Independent Adviser determines that there is no Successor Rate, an Alternative Reference Rate no later than 3 Business Days prior to the Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 7(l));
- (ii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date in accordance with subparagraph (i) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if the Issuer determines that there is no Successor Rate, an Alternative Reference Rate for purposes of determining the Rate of Interest applicable to the Notes for all future Interest Periods (subject to the subsequent operation of this Condition 7(l)); provided, however, that if this subparagraph (ii) applies and the Issuer is unable or unwilling to determine a Successor Rate or an Alternative Reference Rate prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this subparagraph (ii), the Rate of Interest applicable to such Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period for which the Rate of Interest was determined, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period) (for the avoidance of doubt, any adjustment pursuant to this Condition 7(l) shall apply to the relevant Interest Period only and any subsequent Interest Period may be subject to the subsequent operation of this Condition 7(l));
- (iii) if a Successor Rate or an Alternative Reference Rate is determined in accordance with the preceding provisions, such Successor Rate or Alternative Reference Rate (as applicable) shall be the Reference Rate for all future Interest Periods (subject to the subsequent operation of this Condition 7(l));
- (iv) if the Independent Adviser (in consultation with the Issuer) or (if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine whether an Adjustment Spread should be applied) the Issuer (acting in good faith and in a commercially reasonable manner) determines that (i) an Adjustment Spread should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable); and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to such Successor Rate or Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine, prior to the Interest Determination Date relating to the next succeeding Interest Period, the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;
- (v) if the Independent Adviser or the Issuer (as the case may be) determines a Successor Rate or an Alternative Reference Rate or, in each case, any Adjustment Spread, in accordance with the above provisions, the Independent Adviser or the Issuer may also specify (A) that amendments to these Conditions (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day, Business Day Convention, Interest Determination Date or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**"); and (B) the terms of the Benchmark Amendments, then, at the direction and expense of the Issuer, and subject to Condition 7(l)(viii) below, and without any requirement for the consent or approval of Noteholders,

the Issuer shall vary these Conditions, the Agency Agreement and the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice;

- (vi) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and the specific terms of any Benchmark Amendments, give notice to the Trustee, the Agents and, in accordance with Condition 19 (*Notices*), the Noteholders confirming: (A) that a Benchmark Event has occurred; (B) the Successor Rate or Alternative Reference Rate (as applicable); (C) any applicable Adjustment Spread; and (D) the specific terms of the Benchmark Amendments (if any);
- (vii) an Independent Adviser appointed pursuant to this Condition 7(l) shall act in good faith and (in the absence of fraud) shall have no liability whatsoever to the Issuer, the Guarantor, the Agents, the Trustee or Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 7(l). No Noteholder or Trustee consent shall be required in connection with effecting the Successor Rate or the Alternative Reference Rate (as applicable), any Adjustment Spread or any Benchmark Amendments, including for the execution of any documents, amendments or other steps by the Issuer or the Calculation Agent (if required);
- (viii) the Trustee shall be obliged, without the consent or approval of the Noteholders or the Couponholders, to concur with the Issuer in making any Benchmark Amendments provided that the Issuer has delivered to the Trustee and the Agents a certificate signed by an authorised signatory of the Issuer:
 - (A) certifying (x) that a Benchmark Event has occurred, (y) the Successor Rate or Alternative Reference Rate (as applicable) and any applicable Adjustment Spread and, (z) where applicable, any Benchmark Amendments and/or the specific terms of any relevant Benchmark Amendment, in each case as determined in accordance with the provisions of this Condition 7(l); and
 - (B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of the Successor Rate or Alternative Reference Rate (as applicable) and any applicable Adjustment Spread and have been drafted solely to such effect;
- (ix) When implementing any Benchmark Amendments pursuant to this Condition 7(l):
 - (A) the Trustee shall not consider the interests of the Noteholders, Couponholders or any other person or whether the proposed Benchmark Amendments would constitute a Reserved Matter, and the Trustee shall act and rely solely and without further investigation on the certificate provided to them by the Issuer pursuant to this Condition 7(l)(viii) above and shall not be liable to the Noteholders, Couponholders or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
 - (B) neither the Trustee nor any Agent shall be obliged to agree to any modification which, in the sole opinion of the Trustee or such Agent (as applicable), would have the effect of (i) exposing the Trustee or such Agent to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights or protection, of the Trustee or such Agent in the Trust Deed, the Agency Agreement and/or these Conditions (as applicable).

For the purpose of this Condition 7(l):

"Adjustment Spread" means either a spread (which may be positive, negative or zero) or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable and acting in good faith and in a commercially reasonable manner), determines is required to be applied to

the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable), and is the spread, formula or methodology which:

- (C) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (D) (if no such recommendation has been made, or in the case of an Alternative Reference Rate) the Independent Adviser (following consultation with the Issuer) determines is customarily applied to the relevant Successor Rate or the Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the relevant Reference Rate; or
- (E) (if no such determination has been made) the Independent Adviser (following consultation with the Issuer) determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the relevant Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as the case may be) (unless the Independent Adviser considers that any adjustment spread based on over the counter derivative transactions is not appropriate for determining the Adjustment Spread in respect of the Notes); or
- (F) (if the Independent Adviser (following consultation with the Issuer) determines that no such industry standard is recognised or acknowledged or if the Independent Adviser considers that any adjustment spread based on over the counter derivative transactions is not appropriate for determining the Adjustment Spread in respect of the Notes) the Independent Adviser (following consultation with the Issuer) or the Issuer (as applicable) determines (acting in good faith and in a commercially reasonable manner) in their sole discretion to be appropriate to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or Alternative Reference Rate (as applicable);

"Alternative Reference Rate" means the rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable and acting in good faith and in a commercially reasonable manner) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of notes denominated in the Specified Currency and of a comparable duration to the relevant Interest Period or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate;

"Benchmark Event" means:

- (A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the **"Specified Future Date"**); or
- (C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by the Specified Future Date, be permanently or indefinitely discontinued; or

- (D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by the Specified Future Date, be prohibited from being used, or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, (i) such Reference Rate is or will, by the Specified Future Date, be no longer representative of an underlying market or (ii) the methodology to calculate such Reference Rate has materially changed; or
- (F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the relevant Reference Rate (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (E) and (F) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such specified future date;

"Financial Stability Board" means the organisation established by the Group of Twenty (G20) in April 2009;

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international debt capital markets, in each case appointed by the Issuer at its own expense;

"Relevant Nominating Body" means, in respect of a Reference Rate:

- (G) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or
- (H) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:
 - (1) the central bank, reserve bank, monetary authority or any similar institution for the currency to which the reference rate relates;
 - (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate;
 - (3) a group of the aforementioned central banks or other supervisory authorities;
 - (4) the International Swaps and Derivatives Association, Inc. or any part thereof; or
 - (5) the Financial Stability Board or any part thereof; and

"Successor Rate" means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the relevant Reference Rate which is formally recommended by any Relevant Nominating Body;

(m) **Benchmark Replacement – SOFR**

- (i) This Condition 7(m) applies in the case of a U.S. dollar-denominated Floating Rate Notes for which the Reference Rate is specified in the relevant Pricing Supplement as being "SOFR" only.
- (ii) Notwithstanding the provisions in Condition 7(m)(i) above, if the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right, subject to Condition (m)(iv) below to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or approval of the Trustee or the Noteholders.

Any determination, decision or election that may be made by the Issuer pursuant to this Condition, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (A) will be conclusive and binding absent manifest error;
- (B) will be made in the sole discretion of the Issuer; and
- (C) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

Where:

"Benchmark" means, initially, SOFR, as such term is defined in Condition 2(a) (*Definitions*); provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

"Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (A) the sum of: (1) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (2) the Benchmark Replacement Adjustment;
- (B) the sum of: (1) the ISDA Fallback Rate and (2) the Benchmark Replacement Adjustment; or
- (C) the sum of: (1) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (2) the Benchmark Replacement Adjustment;

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

- (B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

- (A) in the case of clause (A) or (B) of the definition of "Benchmark Transition Event," the later of (x) the date of the public statement or publication of information referenced therein and (y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (B) in the case of clause (C) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

- (C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"Reference Time" with respect to any determination of the Benchmark means (A) if the Benchmark is SOFR, the SOFR Determination Time, and (B) if the Benchmark is not SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

"Relevant Governmental Body" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (iii) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 7(m)(ii) above will be notified promptly by the Issuer to the Trustee and the Agents and, in accordance with Condition 19 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.
- (iv) The Trustee shall be obliged, without the consent or approval of the Noteholders or Couponholders, to concur with the Issuer in making any Benchmark Replacement Conforming Changes provided that the Issuer has delivered to the Trustee and the Agents a certificate signed by an authorised signatory of the Issuer:
- (A) certifying (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 7(m); and
- (B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment and have been drafted solely to that effect.
- (v) When implementing any Benchmark Replacement Conforming Changes pursuant to this Condition 7(m):
- (A) the Trustee shall not consider the interests of the Noteholders, the Couponholders or any other person or whether the proposed Benchmark Replacement Conforming Changes would constitute a Reserved Matter, and the Trustee shall act and rely solely and without further investigation on the certificate provided to them by the Issuer pursuant to Condition 7(m)(iv) above and shall not be liable to the Noteholders, the Couponholders or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person; and
- (B) neither the Trustee nor any Agent shall be obliged to agree to any modification which, in the sole opinion of the Trustee or such Agent (as applicable), would

have the effect of (i) exposing the Trustee or such Agent to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or increasing the obligations or duties, or decreasing the rights or protection, of the Trustee or such Agent in the Trust Deed, the Agency Agreement and/or these Conditions (as applicable).

- (vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 7(m), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as applicable) relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin or Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

8. **Zero Coupon Note Provisions**

- (a) **Application:** This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or, as the case may be, the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as not being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or

regulations of the United Arab Emirates (including the Dubai International Financial Centre) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application, official interpretation or enforcement of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

- (B) (1) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) or the Guarantor has or will become obliged to make any such withholding, retention or deduction as is referred to in Condition 11 (*Taxation*) from any amount paid by it to the Issuer in order to enable the Issuer to make a payment of principal or interest in respect of the Notes, in either case as a result of any change in, or amendment to, the laws or regulations of the State of Kuwait or any political subdivision or any authority thereof or therein having power to tax, or any change in the application, official interpretation or enforcement of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding, retention or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts or the Guarantor would be obliged to make such withholding, retention or deduction if a payment in respect of the Notes were then due or (as the case may be) a demand under the Guarantee of the Notes were then made.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Trustee (A) a certificate signed by two directors of the Issuer or (as the case may be) two directors of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion in form and substance satisfactory to the Trustee of independent legal advisers of recognised standing to the effect that the Issuer or (as the case may be) the Guarantor has or will become obliged to pay such additional amounts or (as the case may be) the Guarantor has or will become obliged to make such withholding, retention or deduction as a result of such change or amendment. The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (A) and (B) above, in which event they shall be conclusive and binding on the Noteholders. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

- (c) ***Redemption at the option of the Issuer:*** If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer giving not less than 15 nor more than 30 days' notice to the Noteholders and having notified the Trustee prior to the provision of such notice (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

- (d) ***Partial redemption:***
- (i) ***Partial Redemption of Bearer Notes:*** If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Trustee approves and in such manner as the Trustee considers appropriate, subject to compliance with applicable law and the rules of the listing authority, stock exchange and/or quotation system by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
 - (ii) ***Partial Redemption of Registered Notes:*** If Registered Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), each Registered Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Registered Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Registered Notes on such date.
- (e) ***Redemption at the option of Noteholders:*** If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of any Noteholder redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the Noteholder must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto, in the case of Bearer Notes, or deposit with the Registrar the relevant Note Certificate relating to such Note, in the case of Registered Notes, and a duly completed Put Option Notice in the form obtainable from any Paying Agent or Registrar, as the case may be. The Paying Agent or the Registrar, as the case may be, with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note or Note Certificate, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note or the Notes evidenced by any Note Certificate becomes immediately due and payable or, upon due presentation of any such Note or Note Certificate on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent or Registrar shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note or Note Certificate at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Bearer Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (f) ***Redemption at the option of Noteholders (Restructuring):*** If a Put Event (Restructuring) occurs the Issuer or the Guarantor shall give notice to the Noteholders (specifying the nature of the Put Event (Restructuring)), of an optional redemption date (the "**Optional Redemption Date (Restructuring)**") which shall be not less than 50 nor more than 75 days after the date of such notice and the procedure for exercising the option contained in this Condition 9(f), and the Issuer shall, at the option of any Noteholder redeem or, at the Issuer's option, purchase such Note on the Optional Redemption Date (Restructuring) at an amount equal to its principal amount together with (or, where purchased, together with an amount equal to) interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(f), the Noteholder must deliver such Note together with all unmatured Coupons, on any business day falling within the period of 45 days after the notice of a Put Event (Restructuring) is given, at the specified office of any Paying Agent, accompanied by a duly completed non-transferable Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(f), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Restructuring), any such Note

becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Restructuring), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(f), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

For the purposes of this Condition 9(f) only:

"business day" means a day on which banks are generally open for business in the State of Kuwait, the United Arab Emirates (including the Dubai International Financial Centre), New York City and in the city where the Specified Office of the Principal Paying Agent is located;

"Group" means the Guarantor and its Subsidiaries for the time being;

A **"Negative Rating Event"** shall be deemed to have occurred in respect of a Restructuring Event if the Guarantor does not within 120 days of a Restructuring Event obtain an Investment Grade Rating;

A **"Put Event (Restructuring)"** will be deemed to have occurred if, for so long as any Note remains outstanding, there occurs a Restructuring Event and within the Restructuring Period (i) if at the time that Restructuring Event occurs there are Rated Securities, a Rating Downgrade in respect of that Restructuring Event occurs; or (ii) if at the time that Restructuring Event occurs there are no Rated Securities, a Negative Rating Event in respect of that Restructuring Event occurs;

"Rated Securities" means any Notes so long as they shall have a solicited rating from any Rating Agency;

A **"Rating Downgrade"** shall be deemed to have occurred in respect of a Restructuring Event if the solicited rating assigned 30 business days prior to the Restructuring Event to the Rated Securities by a Rating Agency is withdrawn or reduced from an Investment Grade Rating to a non-Investment Grade Rating (BB+/Ba1/BB or their respective equivalents for the time being) or worse, or if any Rating Agency shall have already rated the Rated Securities below Investment Grade Rating, the rating of such Rating Agency is lowered by one or more full rating categories (for example, from BB+/Ba1/BB+ to BB/Ba2/BB or such similar lowering);

A **"Restructuring Event"** shall be deemed to have occurred if either:

- (i) any Person or any Persons (other than Al Futtooh Holding Co. K.S.C., any of its shareholders and any of their respective associates (where an associate of an individual is the individual's husband, wife or child or is a relative, or the husband or wife of a relative, of the individual or of the individual's husband or wife) ("**AFI**")) acting in concert or any Person or Persons acting on behalf of any such Person(s) at any time directly or indirectly own(s) or acquire(s) (whether or not approved by the board of directors of the Guarantor) (A) 50 per cent. or more of the issued or allotted ordinary share capital of the Guarantor or (B) such number of shares in the capital of the Guarantor carrying 50 per cent. or more of the voting rights exercisable at general meetings of the Guarantor; or
- (ii) if AFI ceases directly or indirectly to own (A) 30 per cent. or more of the issued or allotted ordinary share capital of the Guarantor or (B) such number of shares in the capital of the Guarantor carrying 30 per cent. or more of the voting rights exercisable at general meetings of the Guarantor;

"Restructuring Period" means the period commencing on the earlier of the date (the **"Restructuring Period Commencement Date"**) of the public announcement of the Restructuring Event or the public announcement of the intention of the relevant Person or Persons to effect a Restructuring Event and ending 120 days after the Restructuring Period Commencement Date (or such longer period for which the Rated Securities or, as the case may be, any Notes are under consideration (such consideration having been announced publicly within the period ending 120

days after the Restructuring Period Commencement Date) for rating review or, as the case may be, rating by a Rating Agency);

- (g) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (Scheduled redemption) to (c) (Redemption at the option of the Issuer) above.
- (h) **Early redemption of Zero Coupon Notes:** Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(h) or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) **Purchase:** The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith. Such Notes may be held, resold or, at the option of the purchaser, surrendered to any Paying Agent for cancellation.
- (j) **Cancellation:** All Notes redeemed or surrendered for cancellation and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

10. **Payments**

- (a) **Payments – Bearer Notes**

This Condition 10(a) is only applicable to Bearer Notes.

- (1) **Principal:** Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States (which expression, as used in these Conditions, means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction) by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in London).
- (2) **Interest:** Payments of interest shall, subject to paragraph (8) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (1) above.
- (3) **Payments in New York City:** Payments of principal or interest payable in U.S. dollars may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in U.S. dollars when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to either the Issuer or the Guarantor.

- (4) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**U.S. Internal Revenue Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (5) *Deductions for unmatured Coupons:* If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.
- Each sum of principal so deducted shall be paid in the manner provided in paragraph (1) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.
- (6) *Unmatured Coupons void:* If the relevant Pricing Supplement specifies that this Condition 10(a)(6) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*), Condition 9(e) (*Redemption at the option of Noteholders*), Condition 9(f) (*Redemption at the option of Noteholders (Restructuring)*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (7) *Payments on business days:* If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding

Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

- (8) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (3) (*Payments in New York City*) above).
- (9) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (10) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.
- (11) *Payment of U.S. Dollar Equivalent:* Notwithstanding the foregoing, if by reason of Illiquidity, Inconvertibility or Non-transferability the Issuer or the Guarantor is not able to satisfy payments of principal or interest in respect of the Notes when due in Renminbi in Hong Kong, the Issuer or the Guarantor may, on giving not less than five or more than 30 calendar days' irrevocable notice to the Holders in accordance with Condition 19 (*Notices*) prior to the due date for payment, settle any such payment in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi-denominated amount.
- (12) *Payments in Renminbi:* Notwithstanding the foregoing, any payments in respect of the Notes to be made in Renminbi will be made in accordance with all applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong) by credit or transfer to an account denominated in that currency and maintained by the payee with a bank in Hong Kong.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 10(a) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Paying Agents and all Holders.

(b) ***Payment – Registered Notes***

- (1) This Condition 10(b) is only applicable to Registered Notes.
- (2) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due on or, upon application by a Holder of Registered Notes to the specified office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in such currency (or, if that currency is euro, any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the Principal Financial Centre of such currency (in the case of a sterling cheque, a town clearing branch of a bank in London) and (in the case of final redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the specified office of any Paying Agent.
- (3) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due on or, upon application by a Holder of Registered Notes to the specified office of the Principal Paying Agent not later than four Payment Business Days before the due date for any such payment, by transfer to an account denominated in such currency (or, if that currency is euro, any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the Principal Financial Centre of such currency

and, in the case of interest payable on redemption upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificate at the specified office of any Paying Agent.

- (4) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Holders of Registered Notes in respect of such payments.
- (5) *Payments on business days:* Where payment is to be made by transfer to an account, payment instruments (for value the due date, or, if the due date is not a Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payment on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the Payment Business Date immediately preceding the due date for payment. A Holder of Registered Notes shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 10(b)(5) arriving after the due date for payment or being lost in the mail.
- (6) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (7) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the due date for such payment, and (ii) where in definitive form at the close of business on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.
- (8) *Payment of U.S. Dollar Equivalent:* Notwithstanding the foregoing, if by reason of Illiquidity, Inconvertibility or Non-transferability, the Issuer or the Guarantor is not able to satisfy payments of principal or interest in respect of the Notes when due in Renminbi in Hong Kong, the Issuer or the Guarantor may, on giving not less than five or more than 30 calendar days' irrevocable notice in accordance with Condition 19 (*Notices*) to the Holders of Registered Notes prior to the due date for payment, settle any such payment in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi-denominated amount.

In such event, payments of the U.S. Dollar Equivalent of the relevant principal or interest in respect of Registered Notes represented by Note Certificates shall be made by a U.S. dollar denominated cheque drawn on a bank in New York City and mailed to the Holder of such Note Certificates at its address appearing in the Register, or, upon application by the Holder to the specified office of the Registrar before the Record Date, by transfer to a U.S. dollar denominated account with a bank in New York City.

- (9) *Payments in Renminbi*: Notwithstanding the foregoing, any payments in respect of the Notes to be made in Renminbi will be made in accordance with all applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong) by credit or transfer to an account denominated in that currency and maintained by the payee with a bank in Hong Kong.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 10(b)(8) (Payment of U.S. Dollar Equivalent) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Paying Agents and all Holders of Registered Notes.

11. **Taxation**

- (a) **Gross up**: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding, retention or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Arab Emirates (including the Dubai International Financial Centre) or the State of Kuwait or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding, retention or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding, retention or deduction of such amounts as would have been received by them had no such withholding, retention or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:
- (i) presented for payment in the United Arab Emirates (including the Dubai International Financial Centre) or the State of Kuwait; or
 - (ii) of which the Holder is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
 - (iii) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days assuming that day to have been a Payment Business Day.
- (b) **Taxing jurisdiction**: If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the United Arab Emirates (including the Dubai International Financial Centre) or the State of Kuwait respectively, references in these Conditions to the United Arab Emirates (including the Dubai International Financial Centre) or the State of Kuwait shall be construed as references to the United Arab Emirates (including the Dubai International Financial Centre) or (as the case may be) the State of Kuwait and/or such other jurisdiction.
- (c) **FATCA**: Notwithstanding any other provision of these Conditions, in no event will the Issuer or Guarantor be required to pay any additional amounts in respect of the Notes or Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code or otherwise imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code, any regulations or agreements thereunder, or any official interpretations thereof.

12. **Events of Default**

If any of the following events occurs, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject in the case of the happening of any of the events mentioned in paragraphs (b) (*Breach of other obligations*), (d) (*Unsatisfied*

judgment), (i) (*Failure to take action, etc.*) or (j) (*Unlawfulness*) below to the Trustee having certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Noteholders and subject, in all cases, to the Trustee having been indemnified or provided with security to its satisfaction) give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) **Non-payment:** the Issuer fails to pay any amount of principal in respect of the Notes within 5 days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 10 days of the due date for payment thereof; or
- (b) **Breach of other obligations:** the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Trust Deed or the Guarantee of the Notes and such default (i) is, in the opinion of the Trustee, incapable of remedy or (ii) being a default which is, in the opinion of the Trustee, capable of being remedied, remains unremedied for 30 days or such longer period as the Trustee may agree after written notice thereof has been received by the Issuer and the Guarantor from the Trustee; or
- (c) **Cross-default of Issuer or Guarantor:**
 - (i) any Indebtedness of the Issuer or the Guarantor is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes or is declared due and payable prior to its stated maturity otherwise than at the option of the Issuer or the Guarantor or (provided that no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or
 - (iii) the Issuer or the Guarantor fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any Guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds U.S.\$20,000,000 (or its equivalent in any other currency or currencies); or

- (d) **Unsatisfied judgment:** one or more final judgment(s) or order(s) for the payment of any amount exceeding U.S.\$20,000,000 is rendered against the Issuer or the Guarantor and continue(s) unsatisfied and unstayed for a period of 21 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) **Security enforced:** a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or substantially the whole of the undertaking, assets and revenues of the Issuer or the Guarantor; or
- (f) **Insolvency, etc.:** (i) the Issuer or the Guarantor becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer or the Guarantor or the whole or substantially the whole of the undertaking, assets and revenues of the Issuer or the Guarantor is appointed (or application for any such appointment is made), (iii) the Issuer or the Guarantor takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer or the Guarantor ceases or threatens to cease to carry on all or substantially the whole of its business; or
- (g) **Winding up, etc.:** an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or the Guarantor; or
- (h) **Analogous event:** any event occurs which under the laws of the United Arab Emirates (including the Dubai International Financial Centre) or the State of Kuwait has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (g) (*Winding up, etc.*) above; or

- (i) **Failure to take action, etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes and the Trust Deed, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Coupons and the Trust Deed admissible in evidence in the courts of the United Arab Emirates (including the Dubai International Financial Centre) and the State of Kuwait is not taken, fulfilled or done; or
- (j) **Unlawfulness:** it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes or the Trust Deed; or
- (k) **Controlling shareholder:** the Issuer ceases to be a Subsidiary of the Guarantor; or
- (l) **Guarantee not in force:** the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect.

13. **Prescription**

- (a) **Bearer Notes:** Claims for principal in respect of Bearer Notes shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.
- (b) **Registered Notes:** Claims for principal on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date. Claims for interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within five years of the appropriate Relevant Date.

14. **Replacement of Notes, Note Certificates and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the listing authority, stock exchange and/or quotation system requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by the listing authority, stock exchange and/or quotation system), subject to all applicable laws and listing authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

15. **Trustee, Agents and Registrar**

Under the Trust Deed, the Trustee is entitled to be indemnified to its satisfaction before taking certain actions, including taking enforcement proceedings, and is also entitled to be relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer, the Guarantor and any entity relating to the Issuer or the Guarantor without accounting for any profit.

In the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes or Coupons as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer, the Guarantor and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and Registrar and their respective initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The

Issuer and the Guarantor reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Paying Agent or any Registrar and to appoint a successor Principal Paying Agent or Calculation Agent and additional or successor paying agents or Registrars; provided, however, that:

- (a) the Issuer and the Guarantor shall at all times maintain a Principal Paying Agent and a Registrar outside the United Kingdom; and
- (b) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer and the Guarantor shall at all times maintain a Calculation Agent for that Series of Notes; and
- (c) for so long as the Notes are admitted to listing, trading and/or quotation and the listing authority, stock exchange and/or quotation system requires the appointment of a Paying Agent and/or a Registrar in any particular place, the Issuer and the Guarantor shall maintain a Paying Agent and/or a Registrar each with a Specified Office in the place required by such listing authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or the Registrar or in their Specified Offices shall promptly be given to the Noteholders.

16. **Meetings of Noteholders; Modification and Waiver**

- (a) ***Meetings of Noteholders:*** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions or the Trust Deed. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

Any such meeting of the Noteholders may be convened at a physical location (or such other method which may include, at the request of the Issuer or Noteholders, without limitation, a conference call or video conference, as may be prescribed in accordance with the provisions for convening meetings of the Noteholders as set out in the Trust Deed) as the Trustee may determine in accordance with the provisions of the Trust Deed.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) ***Modification and waiver:*** The Trustee may, without the consent of the Noteholders or the Couponholders agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders or Couponholders authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.

- (c) **Substitution:** The Trust Deed contains provisions under which the Guarantor or any other company may, without the consent of the Noteholders or Couponholders assume the obligations of the Issuer as principal debtor under the Trust Deed and the Notes provided that certain conditions specified in the Trust Deed are fulfilled.

No Noteholder or Couponholder shall, in connection with any substitution, be entitled to claim any indemnification or payment in respect of any tax consequence thereof for such Noteholder or (as the case may be) Couponholder except to the extent provided for in Condition 11 (*Taxation*) (or any undertaking given in addition to or substitution for it pursuant to the provisions of the Trust Deed).

17. **Enforcement**

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed in respect of the Notes, but it shall not be bound to do so unless:

- (a) it has been so requested in writing by the holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and
- (b) it has been indemnified or provided with security to its satisfaction.

No Noteholder may proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. The date on which the Notes are consolidated and form a single series is either the Issue Date or, in the case of Bearer Notes which are issued initially in the form of a temporary global note, the date on which the temporary global note is exchanged for the permanent global note, each as specified in the applicable Pricing Supplement. The Issuer may from time to time, with the consent of the Trustee, create and issue other series of notes having the benefit of the Trust Deed.

19. **Notices**

Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the Financial Times) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

Notices to Holders of Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an overseas address) by airmail to them (or, in the case of joint Holders, to the first-named in the Register) at their respective addresses as recorded in the Register, and will be deemed to have been validly given on the fourth Business Day after the date of such mailing.

20. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons 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 these Conditions 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 Issuer,

(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 the Notes, the Issuer shall indemnify each Noteholder and the Trustee on the written demand of such Noteholder or the Trustee addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, 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 Noteholder or the Trustee 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 of the Issuer and shall give rise to a separate and independent cause of action.

21. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law and Dispute Resolution**

(a) **Governing law:** The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by English law.

(b) **Arbitration:** Subject to Condition 22(c) (*Option to litigate*), any dispute arising out of or in connection with the Notes or the Trust Deed (including a dispute regarding their existence, validity or termination or the consequences of their nullity or any non-contractual obligation arising out of or in connection with them) (a "**Dispute**") shall (regardless of the nature of the Dispute) be referred to and finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration ("**LCIA**") (the "**Rules**"), as amended from time to time and by the rest of this Condition 22(b):

- (i) The arbitral tribunal shall consist of three arbitrators.
- (ii) Within 15 days from receipt by the registrar of the LCIA of the response to the request for arbitration, the claimant(s) – irrespective of their number - shall nominate jointly one arbitrator and the respondent(s) – irrespective of their number - shall nominate jointly the second arbitrator. The chairman of the arbitral tribunal shall be nominated by the two party nominated arbitrators within 15 days of the last of their appointments.
- (iii) In the event that the claimant(s) or the respondent(s) fail to nominate an arbitrator or the party nominated arbitrators fail to agree the chairman of the arbitral tribunal within the time limits specified in this Condition 22(b), the LCIA court shall, at the written request of the claimant(s) or the respondent(s), make such appointment forthwith.
- (iv) The seat of the arbitration shall be London, England and all hearings shall take place in London, England.
- (v) The language of the arbitration shall be English.
- (vi) The parties waive any right of application to determine a preliminary point of law under section 45 and to appeal on a question of law under section 69 of the Arbitration Act 1996.
- (vii) Upon request of a party to a Dispute or any party to the Notes or the Trust Deed which itself wishes to be joined to any reference to arbitration proceedings in relation to a Dispute, the arbitral tribunal may join any party to the Notes or the Trust Deed to any reference to

arbitration proceedings in relation to that Dispute between them. Each of the parties to the Notes hereby consents to be joined to any reference to arbitration proceedings in relation to any Dispute at the request of a party to that Dispute, and to accept the joinder of a party requesting to be joined pursuant to this Condition 22(b)(vii).

(c) ***Option to litigate***

Before the Trustee (or, but only where permitted to take action in accordance with Condition 17 (*Enforcement*), any Noteholder) has filed a Request for arbitration or Response as defined in the Rules (as the case may be), the Trustee (or any Noteholder) may by notice in writing to the Issuer and the Guarantor require that a Dispute between it and the Issuer and/or the Guarantor be heard by a court of law. If the Trustee (or any Noteholder) gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 22(d) (*Jurisdiction of the courts*).

(d) ***Jurisdiction of the courts***

In the event that the Trustee or any Noteholder issues a notice pursuant to Condition 22(c) (Option to litigate), the following provisions shall apply:

- (i) Subject to Condition 22(b) (*Arbitration*), the courts of England and the courts of the Dubai International Financial Centre at the option of the Trustee or any Noteholder shall have exclusive jurisdiction to settle any Dispute.
- (ii) The Issuer and/or the Guarantor agree that the courts of England and the courts of the Dubai International Financial Centre are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue to the contrary.
- (iii) This Condition 22(d) is for the benefit of the Trustee and the Noteholders only. As a result, and notwithstanding Condition 22(d)(i) above, the Trustee or any Noteholder may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Trustee or any Noteholder may take concurrent Proceedings in any number of jurisdictions.

(e) ***Process agent:*** In the Trust Deed the Issuer and the Guarantor have each agreed that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to United Gulf Management Limited at 5th Floor Rear, 19 Berkeley Street, Mayfair, London W1J 8ED, United Kingdom or, if different, its registered office for the time being in England or at any address of the Issuer or the Guarantor (as the case may be) in England at which process may be served on it in accordance with the Companies Act 2006. If such persons are not or cease to be effectively appointed to accept service of process on behalf of the Issuer or the Guarantor (as the case may be), the Issuer or the Guarantor (as the case may be) shall, on the written demand of the Trustee addressed and delivered to the Issuer or the Guarantor (as the case may be) or to the Specified Office of the Principal Paying Agent, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice addressed to the Issuer or the Guarantor (as the case may be) and delivered to the Issuer or the Guarantor (as the case may be) or to the Specified Office of the Principal Paying Agent. Nothing in this paragraph shall affect the right of any Noteholder or the Trustee to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue.

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION") AND THE FINANCIAL SERVICES AND MARKETS ACT 2000 (AS AMENDED) FOR THE ISSUE OF THE NOTES DESCRIBED BELOW AND THE LONDON STOCK EXCHANGE PLC HAS NEITHER APPROVED NOR REVIEWED INFORMATION CONTAINED HEREIN.

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

[UK MiFIR product governance / professional investors and ECPs only target market – Solely for the purposes of manufacturer['s/s'] product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market.]* Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]¹

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the EUWA. Consequently, no key information document required by

¹ Include where Part B item 5(g) of the Pricing Supplement specifies "Applicable".

Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.]²

[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 [(2020 Revised Edition)]/[of Singapore]/[, as modified or amended from time to time]] (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

Pricing Supplement dated []

KUWAIT PROJECTS CO SPC LIMITED

Legal entity identifier ("**LEI**"): 254900BQTJEWBK1TAN59

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

Guaranteed by

Kuwait Projects Company (Holding) K.S.C.P.

under the U.S.\$3,000,000,000

Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 4 October 2022 (the "**Offering Circular**") [and the supplement(s) to the Offering Circular dated []]. This document constitutes the Pricing Supplement relating to the issue of Notes described herein, contains the final terms of the Notes and must be read in conjunction with the Offering Circular [as so supplemented].

Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of a combination of these Pricing Supplement and the Offering Circular. The Offering Circular [and the supplemental Offering Circular] is available for viewing and may be obtained during normal business hours at The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom and the registered offices of the Issuer at, Unit C1404, Level 14, Burj Daman, Dubai International Finance Centre, Dubai, 506513, United Arab Emirates.

- | | | | |
|----|-------|---|--|
| 1. | (i) | Issuer: | Kuwait Projects Co SPC Limited |
| | (ii) | Guarantor: | Kuwait Projects Company (Holding) K.S.C.P. |
| 2. | (i) | [Series Number:] | [] |
| | (ii) | [Tranche Number:] | [] |
| | (iii) | Date on which the Notes become fungible | [Not Applicable/[insert date]] |
| 3. | | Specified Currency or Currencies: | [[Emirati Dirham]/[euro]/[EuroYen]/[Great British Pound]/ [Hong Kong Dollar]/[Kuwaiti Dinars]/[Malaysian Ringgit]/ [Renminbi]/[Saudi Arabian Riyal]/[Singapore Dollar]/ [Turkish Lira]/[U.S. Dollars]/[]] |
| 4. | | Aggregate Principal Amount: | [] |

² Include where Part B item 5(h) of the Pricing Supplement specifies "Applicable".

- (i) [[Series:] []]
- (ii) [Tranche: []]
5. Issue Price: [] per cent. of the Aggregate Principal Amount [plus accrued interest from []]
6. (i) Specified Denominations: []
[]
- (ii) Calculation Amount: []
7. (i) Issue Date: []
- (ii) Interest Commencement Date: [[]/Issue Date/Not Applicable]
8. Maturity Date: *[Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]*
9. Interest Basis: [per cent. Fixed Rate]
[[specify Reference Rate] +/- [] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified at paragraphs 14-16)]
10. Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount]
11. Change of Interest/Payment Basis: Not Applicable
12. Put/Call Options: [Investor Put] [Investor Put – Restructuring]
[Issuer Call]
[Not Applicable]
[(further particulars specified at paragraphs 17-18)]
13. [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [[] [and []], respectively]]/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions: [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [] per cent. per annum payable on each Interest Payment Date
- (ii) Interest Payment Date(s): [] in each year [in each year up to and including the Maturity Date [adjusted in accordance with the Modified Following Business Day Convention]/specify other]
- (iii) Fixed Coupon Amount[(s)]: [] per Calculation Amount
- (iv) Fixed Coupon Amount for a short or long Interest Period ("**Broken Amount(s)**"):
[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
[Not Applicable]

- (v) Day Count Fraction: [Actual/Actual (ICMA) / Actual/365 (fixed) / Actual/365 / Actual/Actual (ISDA) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA)/ other]
- (vi) Determination Date: [[] in each year/Not Applicable]
15. Floating Rate Note Provisions: [Applicable/Not Applicable]
- (i) Interest Period(s): []
- (ii) Specified Period: [[]/Not Applicable]
- (iii) Specified Interest Payment Dates: [[]/Not Applicable]
- (iv) [First Interest Payment Date]: []
- (v) Business Day Convention: [[Following Business Day Convention]/[Modified Following Business Day Convention]/ [Preceding Business Day Convention]/ [Floating Rate Convention]/ [No Adjustment]]
- (vi) Additional Business Centre(s): [[]/Not Applicable]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent): [[] shall be the Calculation Agent/Not Applicable]
- (ix) Screen Rate Determination: [Applicable]/[Not Applicable]
- (If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Reference Rate: [[] month EIBOR / EURIBOR / HIBOR / KIBOR / KLIBOR / SIBOR / SAIBOR / SHIBOR / TIBOR / TRLIBOR or TRYLIBOR / SOFR / SONIA / €STR]
 - Index Determination: [Applicable]/[Not Applicable]
- (Applicable for SONIA Compounded Index or SOFR Compounded Index only)*
- Interest Determination Date(s): [[•]/[The date falling [•] Business Days prior to the first day of each Interest Period]/[First day of each Interest Period]/[The [first/second/third/[•]] Business Day immediately preceding the Interest Payment Date for each Interest Period (or immediately preceding such earlier date, if any, on which the Notes are due and payable).][provide details]/[The Interest Payment Date at the end of each Interest Period; **provided that** the Interest Determination Date with respect to the last Interest Period prior to the Maturity Date or

the date fixed for redemption will be the Rate Cut-off Date – *Include this wording for Payment Delay only*]/[•] [TARGET Settlement Days/ U.S. Government Securities Business Days/London Banking Days] prior to each Interest Payment Date]]³

Insert only if Index Determination is "Not Applicable":

- Relevant Screen Page: []/[Bloomberg Page SONIO/N Index]/[New York Federal Reserve's Website]/[ECB's Website]/[Not Applicable]
- Relevant Time: []/[Not Applicable]⁴
- Relevant Financial Centre: []/[Not Applicable]⁵

*Insert only if any of SOFR, SONIA or €STR is the Reference Rate and Index Determination is **not** applicable:*

- Calculation Method: [Weighted Average/Compounded Daily]
- Observation Method: [Lag/Observation Shift/Lock-out/Payment Delay]
- Observation Look-back Period: 5 / [] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]⁶
- D: [365]/[360]/[]/[Not Applicable]
- Effective Interest Payment Date: [The date falling [] Business Days following each Interest Payment Date, provided that the Effective Interest Payment Date with respect to the last Interest Period will be the Maturity Date or, if the Notes are redeemed before the Maturity Date, the date fixed for redemption / [Not Applicable]⁷
- Rate Cut-off Date: [•]/[Not Applicable]⁸

Insert only if Index Determination is "Applicable":

- Relevant Decimal Place: [] [5/7] (*unless otherwise specified, the fifth decimal place in the case of the SONIA Compounded Index and the seventh*

³ To be at least five Business Days before the relevant Interest Payment Date where the Reference Rate is SONIA, SOFR or €STR.

⁴ Select "Not Applicable" for SOFR, SONIA or €STR.

⁵ Select "Not Applicable" for SOFR, SONIA or €STR.

⁶ Applicable for Lag or Observation Shift only.

⁷ Applicable for Payment Delay only.

⁸ Applicable for Payment Delay only.

decimal place in the case of the SOFR Compounded Index)

- Relevant Number: [] [5] *(unless otherwise specified, the Relevant Number shall be 5)*
- (x) ISDA Determination: [Applicable]/[Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- ISDA Definitions: [2006 ISDA Definitions/2021 ISDA Definitions]
- Floating Rate Option: []/[Not Applicable]

(A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate)
- Designated Maturity: []

(Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate)
- Reset Date: []/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in paragraph [(v)] above and as specified in the ISDA Definitions]
- Compounding: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- Compounding Method: [Compounding with Lookback

Lookback: [] Applicable Business Days

[Compounding with Observation Period Shift

Observation Period Shift: [] Observation Period Shift Business Days

Observation Period Shift Additional Business Days: [] / [Not Applicable]]

[Compounding with Lockout

Lockout: [] Lockout Period Business Days

Lockout Period Business Days: []/[Applicable Business Days]]
- Averaging: [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph)*
- [Averaging Method: [Averaging with Lookback]

	Lookback: [] Applicable Business Days]
	[Averaging with Observation Period Shift
	Observation Period Shift: [] Observation Period Shift Business days
	Observation Period Shift Additional Business Days: []/[Not Applicable]]
	[Averaging with Lockout
	Lookout: [] Lockout Period Business Days
	Lockout Period Business Days: []/[Applicable Business Days]]
• Index Provisions:	[Applicable/Not Applicable] <i>(If not applicable delete the remaining subparagraphs of this paragraph)</i>
• Index Method:	Compounded Index Method with Observation Period Shift
	Observation Period Shift: [] Observation Period Shift Business days
	Observation Period Shift Additional Business Days: [] / [Not Applicable]
(xi) Margin(s):	[+/-][] per cent. per annum
(xii) Minimum Rate of Interest:	The Minimum Rate of Interest shall not be less than zero] / The Minimum Rate of Interest shall not be less than [] per cent. per annum
(xiii) Maximum Rate of Interest:	[] per cent. per annum
(xiv) Day Count Fraction:	[]
16. Zero Coupon Note Provisions:	[Applicable/Not Applicable]
(i) [Amortisation/Accrual] Yield:	[] per cent. per annum
(ii) Reference Price:	[]
(iii) Day Count Fraction:	[Actual/Actual (ICMA) / Actual/360 / Actual/365 (fixed) Actual/365 / Actual/Actual (ISDA) / Actual/360 / 30/360 / 360/360 / Bond Basis / 30E/360 / Eurobond Basis / 30E/360 (ISDA) / other]

PROVISIONS RELATING TO REDEMPTION

17. Call Option:	[Applicable/Not Applicable]
(i) Optional Redemption Date(s):	[]
(ii) Optional Redemption Amount(s):	[] per Calculation Amount

- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: [] per Calculation Amount
18. Put Option:
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [] per Calculation Amount
19. Final Redemption Amount of each Note: [] per Calculation Amount
20. Early Redemption Amount:
- Early Redemption Amount(s) of each Note available on redemption for taxation reasons or on event of default: [Not Applicable/[] per Calculation Amount]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21. Form of Notes: **[Bearer Notes:**
- Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note.]
- [Temporary Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Temporary Global Note.]
- [Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].]
- [Registered Notes:]**
- [Individual Note Certificates]
- [Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate]
22. Additional Financial Centre(s): [[]/Not Applicable]
23. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No]
24. U.S. Selling Restrictions: [Reg. S Category 2];

[TEFRA C/TEFRA D/ TEFRA not applicable]

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

THIRD PARTY INFORMATION

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

Signed on behalf of the Issuer:

By:
Duly authorised

Signed on behalf of the Guarantor:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (a) Listing and Admission to trading: [Application [has been]/[is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's International Securities Market ("ISM")/[] with effect from []. [The ISM is not a regulated market for the purposes of MiFID II or a UK regulated market for the purposes of UK MiFIR]/[Not applicable]
- (b) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings: The Notes to be issued have not been rated]/[The Notes to be issued [have been]/[are expected to be] rated]:

[S & P: []]

[Moody's: []]

[Each of Moody's and S&P are established in the EEA and are registered under Regulation (EU) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**"). As such, each of Moody's and S&P are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Each of Moody's and S&P are not established in the United Kingdom and have not applied for registration under the Regulation (EC) No. 1060/2009 on credit rating agencies as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). The ratings issued by Moody's and S&P have been endorsed by Moody's Investors Service Ltd and S&P Global Ratings UK Limited, respectively, in accordance with the UK CRA Regulation.]

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

"Save as discussed in ["*Subscription and Sale*"], so far as the Issuer and the Guarantor are aware, no person involved in the offer of the Notes has an interest material to the offer."

4. [Fixed Rate Notes Only – YIELD

Indication of yield: []

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

5. DISTRIBUTION

- (a) Method of distribution: [Syndicated/Non-Syndicated]
- (b) If syndicated, names of Managers: [Not Applicable/give names]

- (c) Stabilisation Manager(s) [Not Applicable/give names]
(if any):
- (d) If non-syndicated, name of relevant Dealer: [Not Applicable/give names]
- (e) U.S. Selling Restrictions: [Reg S. Compliance Category [1/2]; TEFRA D/TEFRA C/TEFRA not applicable]
- (f) Additional Selling Restrictions: [Not Applicable/give details]
- (g) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]
(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)
- (h) Prohibition of Sales to UK Retail Investors: [Applicable]/[Not Applicable]
(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)

6. OPERATIONAL INFORMATION

- (a) ISIN Code: []
- (b) Common Code: []
- (c) CFI: [[See/[[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (d) FISN: [[See/[[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (e) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [[]/Not Applicable]
- (f) Names and addresses of additional Paying Agent(s) (if any): []
- (g) Relevant Benchmark[s]: [*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*]][*appears*]/[*does not*]

appear]]repeat as necessary] in the register of administrators and benchmarks established and maintained by the FCA pursuant to [Article 36] (*Register of administrators and benchmarks*) of Regulation (EU) 2016/1011 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 [(the "**UK Benchmarks Regulation**")]]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the UK Benchmarks Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of UK Benchmarks Regulation apply, such that [*name of administrator*] is not currently required to obtain authorisation/registration (or, if located outside the UK, recognition, endorsement or equivalence)]/ [Not Applicable]

- (h) Name and address of []
Registrar:

7. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

- (a) Reasons for the offer: [See "*Use of Proceeds*" in Offering Circular]/[]
(b) Estimated net proceeds: []

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note or a Global Note Certificate, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the bearer of the relevant Global Note or registered holder of a Global Note Certificate which, for so long as the Global Note or Global Note Certificate is held by, or as the case may be, registered in the name of a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer or the Guarantor to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due under the Notes and such obligations of the Issuer and the Guarantor will be discharged by payment to the bearer of the Global Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Principal Paying Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Principal Paying Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all

accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Trust Deed). Under the Trust Deed, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement) in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Trust Deed). Under the Trust Deed, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Global Note Certificates

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the holder of the Global Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the specified office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in

respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Note Certificate; or
- (b) any of the Notes represented by a Global Note Certificate (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Note Certificate in accordance with the terms of the Global Note Certificate on the due date for payment,

then the Global Note Certificate (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Note Certificate will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Note Certificate or others may have under the Trust Deed). Under the Trust Deed, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note Certificate will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Note Certificate became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Notes

Each Global Note and Global Note Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to such Global Note or Global Note Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the same is noted in a schedule thereto.

Each payment in respect of a Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

Whilst the Notes are in Global Form, "**Payment Business Day**" means:

- (a) if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is Renminbi, any day on which commercial banks and foreign exchange markets are open for business in Hong Kong and on which commercial banks in Hong Kong are open for business and settlement of Renminbi payments; or
- (c) if the currency of payment is not euro or Renminbi, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Exercise of put option: In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note or the registered holder of a Global Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent or, as the case may be, the

Registrar specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions.

Notices: Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or evidenced by a Global Note Certificate and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with or the registered holder of a Global Note Certificate is a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer and/or the Guarantor for its general corporate purposes, which include making a profit.

DESCRIPTION OF THE ISSUER

General

The Issuer was incorporated in the Dubai International Financial Centre on 27 October 2016 as a special purpose company under the Companies Law, DIFC Law No. 2 of 2009 and the Special Purpose Company Regulations and with registered number 2295. The registered office of the Issuer is Unit C1404, Level 14, Burj Daman, Dubai International Financial Centre, Dubai, 506513, United Arab Emirates and its telephone number is +971 4 363 7999. As at the date of this Offering Circular, the authorised share capital of the Issuer was one hundred United States Dollars (U.S.\$100) divided into 100 ordinary shares of nominal or par value U.S.\$1.00 each. The Issuer is a wholly-owned subsidiary of the Guarantor.

Business

The Issuer was formed as a special purpose company to issue Notes under the Programme and, as of 10 November 2016, was also substituted in place of KUWAIT PROJECTS CO. (CAYMAN) as issuer in respect of all outstanding Notes issued under this Programme (the "**Substitution**"). All funds raised by the Issuer are on-lent to the Guarantor and the Issuer is therefore dependent on repayment of principal and interest from the Guarantor for the purposes of meeting its obligations under Notes issued under the Programme.

Administration

Walkers Corporate (Dubai) Limited acts as the corporate service provider of the Issuer (in such capacity, the "**Corporate Service Provider**"). The office of the Corporate Service Provider serves as the general business office of the Issuer. Through the office, and pursuant to the terms of a corporate services agreement dated 7 November 2016 entered into between the Issuer and the Corporate Service Provider (the "**Corporate Services Agreement**"), the Corporate Service Provider has agreed to perform in the United Arab Emirates and/or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Issuer and to provide certain registered office, clerical, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Service Provider will receive various fees payable by the Issuer at rates agreed upon from time to time, plus expenses.

The terms of the Corporate Services Agreement provide that either the Issuer or the Corporate Service Provider may terminate such agreement upon the occurrence of certain stated events, including any breach by the other party of its obligations under such agreement. In addition, the Corporate Services Agreement provides that either party shall be entitled to terminate such agreements by giving at least three months' notice in writing to the other party.

The Corporate Service Provider is subject to the overview of the Issuer's board of directors. The Corporate Service Provider's principal office is Unit C1404, Level 14, Burj Daman, Dubai International Financial Centre, Dubai, 506513, United Arab Emirates.

Two of the three directors of the Issuer are employees and/or officers of an affiliate of the Corporate Service Provider. The Issuer has no employees and is not expected to have any employees in the future.

Directors

The Directors of the Issuer are as follows:

Name	Function
Adana Nasser Sabah A Al- Sabah	Director
Kirstie Krypner	Director
Aaron David Bennett.....	Director

Each of Kirstie Krypner and Aaron David Bennett are employees and/or officers of the Corporate Service Provider. Their business address is Unit C1404, Level 14, Burj Daman, Dubai International Financial Centre, Dubai, 506513, United Arab Emirates. The business address of Adana Nasser Sabah A Al- Sabah is P.O. Box 23982, Safat 13100, State of Kuwait.

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

DESCRIPTION OF KIPCO AND THE GROUP

Introduction

KIPCO is a multi-sector holding company headquartered in Kuwait with operating entities across the GCC and the wider MENA region. KIPCO acquires or creates businesses and builds and grows them with the aim of selectively selling businesses when attractive opportunities arise. KIPCO has an experienced management team and benefits from key relationships in the region through its principal shareholders, which include members of the Kuwaiti ruling family. KIPCO's shares are publicly listed and traded on Boursa Kuwait Premier Market.

KIPCO and its consolidated subsidiaries and associates (the "**Group**") operate through six principal reporting segments as follows:

- **Commercial banking** – The Group has a strong presence in the Kuwaiti banking industry through Burgan Bank K.P.S.C. ("**Burgan Bank**"), in which it had a 61.7 per cent. consolidated direct and indirect effective shareholding as at 30 June 2022. Burgan Bank offers a full range of banking and treasury services in Kuwait and to other countries in the wider MENA region through its subsidiaries. Burgan Bank had total assets of KD 7,307 million as at 30 June 2022, making it the second largest conventional commercial bank incorporated in Kuwait by assets as at that date, based on financial statements published by all Kuwaiti banks.

The Group also has commercial banking operations in Jordan through its subsidiary, Jordan Kuwait Bank PLC ("**JKB**"). The Group had a 51.2 per cent. consolidated direct and indirect effective shareholding in JKB as at 30 June 2022, which is a public shareholding company founded in 1976 with a paid-up capital of JOD 150 million as at 30 June 2022. JKB is listed on the Amman Stock Exchange and had consolidated assets of JOD 3,178 million as at 30 June 2022. JKB is regulated by the Central Bank of Jordan.

The commercial banking reporting segment represented 75.2 per cent. of the Group's total assets as at 30 June 2022 and accounted for 57.8 per cent. of its income in 2021 (before inter-segmental eliminations).

- **Insurance** – Gulf Insurance Group K.S.C.P. ("**GIG**"), an associate in which the Group had a 45.2 per cent. consolidated direct and indirect effective shareholding as at 30 June 2022, is the market leader in insurance products in Kuwait in terms of direct premiums according to the Kuwait Insurance Federation. GIG also has a presence in the GCC and wider MENA region through subsidiaries and associates. In September 2021, GIG completed the acquisition of AXA's insurance operations in the GCC, which KIPCO believes positions GIG among the three leading insurance companies in the GCC in terms of gross premiums written based on published financial statements of insurance companies in the GCC. GIG's insurance product portfolio includes marine, aviation, property, casualty, motor, life and health insurance. GIG is listed on Boursa Kuwait Main Market and had total assets of KD 1,338 million as at 30 June 2022.

Reflecting GIG's status as an equity accounted associate, the insurance reporting segment represented 1.0 per cent. of the Group's total assets as at 30 June 2022 and accounted for 3.0 per cent. of its income in 2021 (before inter-segmental eliminations). KIPCO considers GIG to be its second most material investment after Burgan Bank.

- **Asset management and investment banking** – The Group operates in the asset management and investment banking ("**AMIB**") market in the MENA region through United Gulf Holding Company B.S.C. ("**UGH**"), which owns 100 per cent. of United Gulf Bank B.S.C. ("**UGB**"), and owns 59.9 per cent. of the shares in Kamco Investment Company K.S.C. (Public) ("**Kamco Invest**"). The Group had a 90.5 per cent. consolidated direct and indirect effective interest in UGH as at 30 June 2022. UGB has a track record of incubating and growing businesses, including four commercial banks that were transferred to Burgan Bank in 2008. UGH is listed on the Bahrain Stock Exchange and had total assets of U.S.\$3,275 million as at 30 June 2022.

UGH also owns 78.6 per cent of the shares in FIMBank p.l.c., which is based in Malta ("**FIMBank**"). The Group's total cumulative interest in FIMBank is 88.9 per cent. FIMBank is an

international trade finance specialist providing trade finance solutions to corporates, banks and individuals worldwide.

Kamco Invest operates in key regional capital markets and is one of the largest investment companies in the GCC in terms of assets under management ("**AuM**"). Kamco Invest provides a comprehensive range of investment products and services in asset management, investment banking and brokerage. It has AuM allocated across various asset classes and jurisdictions and, since it was established, has acted as investment banker on equity capital market, debt capital market and merger and acquisition transactions with a value exceeding KD 9 billion. As at 30 June 2022, Kamco Invest's AuM were KD 4.2 billion (of which 51.2 per cent. represented custodial assets).

The AMIB reporting segment represented 8.2 per cent. of the Group's total assets as at 30 June 2022 and accounted for 8.7 per cent. of its income in 2021 (before inter-segmental eliminations).

- **Media and satellite services** – Panther Media Group Ltd ("**PMG**"), in which the Group had a 69.8 per cent. consolidated direct and indirect effective interest as at 30 June 2022, was formed by the merger of competing satellite pay TV platforms, known as "Showtime" and "Orbit". The merged businesses operate under the brand "OSN" and provide media and entertainment content in the MENA region over a platform-agnostic network comprising over-the-top ("**OTT**"), direct-to-home ("**DTH**") and internet protocol television ("**IPTV**"), in addition to commercial distribution arrangements. PMG offers OSN+, its OTT service as well as 67 channels over DTH and IPTV to customers, showcasing an extensive range of premium western, Arabic and children's content. PMG currently focuses on seven core markets, being the UAE, Saudi Arabia, Kuwait, Qatar, Egypt, Bahrain and Jordan, although it has plans to expand its OTT presence in all its MENA markets over time. As at 30 June 2022, PMG had a total subscriber base of approximately 1.5 million.

The media and satellite services reporting segment represented 3.4 per cent. of the Group's total assets as at 30 June 2022 and accounted for 13.2 per cent. of its income in 2021 (before inter-segmental eliminations).

- **Hospitality and real estate** – United Real Estate Company S.A.K.P. ("**URC**"), in which the Group had a 73.6 per cent. consolidated direct and indirect effective interest as at 30 June 2022, owns real estate interests mostly consisting of operational hotels and residential, commercial and office buildings in Kuwait, Oman, Jordan, Lebanon and Egypt, as well as projects under construction or development in Kuwait, Egypt and Morocco. URC also provides real estate services through its affiliates, including project and construction management, contracting and facility management.

The hospitality and real estate reporting segment represented 7.8 per cent. of the Group's total assets as at 30 June 2022 and accounted for 14.3 per cent. of its income in 2021 (before inter-segmental eliminations).

- **Industrial** – The industrial reporting segment principally comprises United Industries Company K.S.C. ("**UIC**") which also owned a 30.2 per cent interest in QPIC as at 30 June 2022 through its 100 per cent. owned subsidiary, Kuwait National Industrial Projects Company. The Group, through QPIC, holds shares or other investments in companies active in the petrochemical and oil, food and dairy, healthcare and logistics industries. The Group had a consolidated direct and indirect effective interest of 79.4 per cent. in UIC as at 30 June 2022. Following completion of the Merger, UIC will receive shares of the merged entity in exchange for its 30.2 per cent. shareholding in QPIC, see "*The Merger*" below.

The industrial reporting segment represented 2.6 per cent. of the Group's total assets as at 30 June 2022 and accounted for 1.6 per cent. of its income in 2021 (before inter-segmental eliminations).

As at 30 June 2022, the Group had total assets of KD 10,563 million and its total income and profit for the year for 2021 amounted to KD 711 million and KD 11 million, respectively. In the six months ended 30 June 2022, the Group's total income and profit for the period amounted to KD 337 million and KD 11 million, respectively.

KIPCO was incorporated as a closed shareholding company on 2 August 1975 under Article 94 of the Kuwaiti Commercial Companies Code, Law No. 15 1960 as amended. It was registered under commercial

registration number 23118 on 15 November 1979. On 29 September 1999, it changed its structure to that of a holding company and amended its name to Kuwait Projects Company (Holding) K.S.C. (Closed). On 11 September 2014, it amended its Articles of Association to comply with a new Kuwait Companies Law, Law No. 25 of 2012 (as amended), and it is now designated as Kuwait Projects Company (Holding) K.S.C.P.

KIPCO's registered office is P.O. Box 23982, Safat 13100, State of Kuwait, telephone number: +965 1805 885.

At the Bursa Kuwait's close on 28 September 2022, KIPCO's share price was KD 0.133 per share, giving it a market capitalisation of KD 345 million (U.S.\$1,110 million) (market capitalisation in this section is calculated as the product of the share price and the total number of outstanding shares, each as at the close of a particular date). KIPCO's shares are actively traded on the Bursa Kuwait Premier Market and represented 18.2 per cent. of the total traded value for the 12 months ending 28 September 2022, as reported by Bursa Kuwait.

The Merger

On 14 March 2022, KIPCO reached a preliminary agreement to merge by amalgamation with QPIC (in which the Group's subsidiary, UIC, owned a 30.2 per cent interest). QPIC is currently an equity accounted associate and is a public shareholding company listed on Bursa Kuwait Premier Market. As part of the preliminary agreement, KIPCO and QPIC signed a Memorandum of Understanding (the "MoU") in which they agreed to assess the Merger. Under the MoU, KIPCO will be the merging or surviving entity and QPIC will be the merged entity. Since the MoU was signed and in accordance with Kuwaiti laws and regulations, due diligence has been undertaken by both parties, both entities have been valued and a fairness opinion has been issued by a licensed independent investment advisor. Subject to completion of all required regulatory procedures, all of the assets and liabilities of QPIC will be transferred to KIPCO.

On 2 June 2022, the respective boards of directors of KIPCO and QPIC approved the asset valuation report, the independent investment advisor's fairness opinion report related to the Merger and swap shares that the shareholders of QPIC will receive in the capital of KIPCO due to the merger by amalgamation between the companies.

On 23 June 2022, Kuwait Capital Markets Authority (the "CMA") issued its approval on the merger contract in relation to the merger by way of amalgamation between KIPCO and QPIC. According to the results of the independent valuation report and the opinion of the independent investment advisor on the fairness of the valuation, KIPCO's shares price was valued at 181 fils per share, whilst QPIC's share price was valued at 406 fils per share, resulting in a share swap ratio of 2.24 shares in KIPCO's share capital for every one share in QPIC's share capital.

On 8 August 2022, KIPCO obtained the approval of the CMA on the increase of its authorised share capital from KD 300,000,000, and its issued and paid-up share capital from KD 264,000,000 distributed over 2,640,000,000 ordinary shares to KD 504,847,626.9 distributed over 5,048,476,269 ordinary shares, through an in-kind capital increase of KD 240,847,626.9, equivalent to an increase of 91.2 per cent. of the current issued and paid-up share capital, through the issuance and allocation of 2,408,476,269 ordinary shares at par value of 100 fils per share and without premium. The entirety of the capital increase will be used and allocated (after the approval of the Extraordinary General Assembly and annotation in the commercial registry to execute the Merger) to the shareholders of QPIC who are registered in QPIC's shareholders' register on the record date, which shall be determined at a later time, at a swap ratio of 2.24 shares in KIPCO for each share in QPIC, provided that KIPCO's treasury shares will not exceed 10 per cent. of the new issued and paid-up capital after the completion of the Merger.

On 11 August 2022, the Kuwait Competition Protection Agency (the "CPA") issued its approval of the economic concentration for the Merger.

On 5 September 2022, KIPCO's shareholders ratified the Merger contract and approved the Merger at extraordinary general meeting. At the same meeting, KIPCO's shareholders also approved a capital increase of 2,408,476,269 shares at an issue price of KD 100 fils per share and without premium, which translates into a capital increase of KD 240,847,626.9. The capital increase represents the consideration that the shareholders of QPIC will receive, which is 2.24 new shares in the share capital of KIPCO for one share in the share capital of QPIC out of the total outstanding shares of QPIC amounting to 1,075,212,620 after

excluding the 23,979,956 treasury shares owned by QPIC, whose capital will be reduced after the approval of the Extraordinary General Assembly of QPIC.

QPIC's shareholders ratified the Merger contract and approved the Merger and the reduction of capital at an extraordinary general meeting held on 13 September 2022.

Following the Merger, which is expected to be completed before the end of 2022, the former QPIC shareholders will own approximately 47.7 per cent. of KIPCO and the former KIPCO shareholders will own approximately 52.3 per cent.

The Merger provides KIPCO with access to a portfolio of companies in the petrochemical and oil services, food and dairy, health and logistics sectors. The key companies and investments added to KIPCO's portfolio include Equate Petrochemical Company K.S.C.C. and The Kuwait Olefins Company K.S.C.C. (together, "**Equate Group**"), The Kuwait Aromatics Company K.S.C.C. ("**KARO**"), Saudia Dairy and Foodstuff Company ("**SADAFCO**"), National Petroleum Services Company K.S.C.P. ("**NAPESCO**"), Jassim Transport & Stevedoring Company K.S.C.P. ("**JTC**") and Advanced Technology Company K.S.C.P. ("**ATC**").

Following completion of the Merger, KIPCO expects that SADAFCO, NAPESCO and JTC will become consolidated subsidiaries, KARO and ATC will be equity accounted as associates and the Equate Group will be accounted as an investment at fair value through other comprehensive income. For further information on each of these entities, see "*Business of the Group – Industrial reporting segment*" below.

On 29 May 2022, Standard & Poor's Rating Services announced that it would maintain its current rating of KIPCO of BB- but placed KIPCO on negative credit watch pending the completion of the Merger. In its report, Standard & Poor's Rating Services highlighted management's engagement and commitment to major initiatives to ensure that KIPCO secured funding to service its debt maturities over the next 12-18 months and noted that the Merger would be a highly transformative event.

Strategy

The key elements of the Group's strategy are to:

- ***Leverage its position and reputation in the GCC and wider MENA region to capture further growth in these regions:*** KIPCO believes that the Group is well positioned through its network of business relationships and its strong reputation to identify opportunities for growth and generate attractive returns from its businesses. The Group seeks to penetrate new markets with its existing businesses and at the same time identify new opportunities that will generate attractive returns. KIPCO is particularly interested in developing Group businesses in countries where opportunities for development and market dynamics are similar to those that it has previously experienced. KIPCO's knowledge of the region and ability to manage local risk creates opportunities to generate attractive returns from operating environments. KIPCO seeks to attract partners with an international presence to accelerate the development of the businesses in which the Group invests and to benefit from the sector expertise of successful international companies.
- ***Acquire, create, build and selectively sell businesses in sectors that capitalise on regional opportunities:*** KIPCO currently focuses primarily on the commercial banking, insurance, AMIB, media, real estate and industrial sectors but continues to seek to identify under-served and nascent markets with proven potential for regional growth. KIPCO aims to leverage its growing regional footprint in the commercial banking and insurance sectors. KIPCO continues to seek partnerships with global or local partners for investment in green field ventures for businesses with models that have been implemented successfully in other regions or countries.
- ***Exercise management control over businesses:*** KIPCO seeks to acquire controlling or significant interests in Group businesses and majority representation on the boards of directors of those businesses. Having a controlling position enables KIPCO to provide strategic direction and establish clear financial targets for the Group's businesses. Achieving a position of control also enables the Group's businesses to attract leading management talent, enables better monitoring of operational performance and allows the Group to establish best practices of governance. In addition, the Group's controlled businesses also benefit from KIPCO's regional and sector know-how. With the exception of GIG, KIPCO exercises control over its core businesses (being the Principal

Companies, as defined under "– *Group structure*" below), through the ownership of a majority interest in each of them, which gives KIPCO significant influence over their board and management composition, strategy and financial policies. In the case of GIG, KIPCO's consolidated direct and indirect effective shareholding of 45.2 per cent. as at 30 June 2022 and its board representation of four out of 10 members provides it with significant influence. Of the remaining six board members, three represent Fairfax Middle East Limited which owns 43.4 per cent. of GIG and the remaining three members are independent.

- ***Maximise value from businesses with a medium to long-term horizon:*** KIPCO seeks to maximise value from the Group's businesses by implementing a strategy of increasing their operating income, expanding sales both locally and regionally, and making acquisitions. KIPCO continually reviews the Group's holdings and considers options to maximise value, including divesting part or all of the businesses it owns. Disposals are made from time to time to take advantage of favourable market conditions. These have included (i) sales of major holdings or strategic interests, as was done with respect to Wataniya Telecom, GIG, Hempel Paints and Saudi New Zealand Health Products; and (ii) listings on local or regional stock exchanges, as was done with Kamco Invest, SADAFCO and Buruj Co-operative Insurance Company.

Capital Structure and Shareholders

Authorised capital

As at 30 June 2022, KIPCO's authorised capital was KD 300 million, and its issued and fully paid-up capital was KD 264 million and consisted of 2,640,000,000 shares of KD 0.1 each.

Ownership

KIPCO's principal shareholder is AFH, a Kuwaiti holding company owned by members of the Kuwaiti ruling family. AFH had a direct holding of 44.9 per cent. in KIPCO as at 30 June 2022. The remainder of the shares are primarily held by investment companies and other corporate shareholders, with retail shareholders, high net worth individuals and investment funds holding small percentages.

The table below sets out the percentage holdings of KIPCO's different classes of shareholder as at 30 June 2022:

Holding	Percentage
Al Futtooh Holding Company K.S.C. (Closed)	44.9
Investment companies and other corporates	42.2
Retail investors	4.3
High net worth individuals	3.7
Investment funds	3.1
Treasury shares	1.7

History

KIPCO acquired shares in UGB in 1988. In 2017, UGB underwent a corporate reorganisation in which its regulated banking activities were segregated from its non-regulated services. For this purpose, KIPCO incorporated UGH as a public shareholding company in Bahrain. UGH then acquired a 100 per cent. shareholding in UGB's regulated banking business. The consolidated direct and indirect effective interest held by the Group in UGH was 90.5 per cent. as at 30 June 2022.

KIPCO acquired a significant shareholding in Burgan Bank in 1995 and the Group's consolidated direct and indirect effective interest in Burgan Bank was 61.7 per cent. as at 30 June 2022.

As part of its strategy to invest in promising under-served sectors, KIPCO established a satellite pay TV operator, Gulf DTH LDC with Viacom Inc. in 1995. In 2009, KIPCO entered into a joint venture by merging the operations of Gulf DTH LDC with the operations of the Orbit pay TV business under a new holding company, PMG. In March 2020, PMG became a subsidiary of KIPCO as a result of additional investment by KIPCO. The Group's consolidated direct and indirect effective interest in PMG was 69.8 per cent as at 30 June 2022.

KIPCO acquired a significant shareholding in GIG in 1996 and the Group's consolidated direct and indirect effective interest in GIG was 45.2 per cent as at 30 June 2022.

In addition, KIPCO has built a portfolio of operating companies in the real estate, industrial and services sectors. In particular, KIPCO has had an interest in URC since 1994 through its subsidiaries and associates. The Group's consolidated direct and indirect effective interest in URC was 73.6 per cent as at 30 June 2022.

Operating Environment

The Group operates in the MENA region, which is characterised by a growing population, varying levels of per capita income and relatively nascent markets presenting significant business and investment opportunities.

The majority of the Group's assets are located in the GCC economies, which are mainly investment grade rated stable economies, except for Bahrain and Oman. Bahrain is rated B2 and B+, respectively, by Moody's Investor Service and Standard & Poor's Rating Services, and Oman, is rated Ba3 and BB-, respectively, by Moody's Investor Service and Standard & Poor's Rating Services. The GCC economies offer a market for premium goods and services derived from their high per capita income and favourable demographic trends. A number of these countries are also major oil and/or gas producers.

The table below shows key socio-economic indicators for the GCC economies.

Country	Estimated population, 2022	Population growth rate ⁽¹⁾	GDP growth rate ⁽²⁾	GDP per capita income, 2022	Proven oil reserves
	(million)	(per cent.)	(per cent.)	(purchasing power parity in U.S.\$)	(billion barrels) ⁽³⁾
Bahrain.....	1.5	0.2	0.9	49,184	NM
Kuwait	4.8	1.6	0.4	43,613	101.5
Oman	4.7	0.6	0.9	30,222	5.4
Qatar ⁽⁴⁾	2.7	-0.4	0.6	96,605	25.2
Saudi Arabia	36.2	2.1	1.8	47,423	267.2
UAE.....	10.0	1.4	0.9	67,026	111.0

Notes:

⁽¹⁾ Calculated as the compounded annual growth rate ("CAGR") for the period 2017 to 2022. Data used for 2021 and 2022 is estimated.

⁽²⁾ GDP at constant prices in national currency. Calculated as the CAGR for the period 2017 to 2022. Data used for 2021 and 2022 is estimated.

⁽³⁾ As at 31 December 2021.

⁽⁴⁾ Also has the world's second largest proven natural gas reserves as at 31 December 2022.

NM means not material.

Source: IMF's World Economic Database April 2022 and OPEC Annual Statistical Bulletin for proven oil and natural gas reserves.

In addition to the GCC economies, the Group also has investments in other MENA region economies. These economies are characterised by a large population base and offer mass markets with low penetration.

The table below shows key socio-economic indicators for the other MENA region economies in which the Group has investments.

Country	Estimated population, 2022	Population growth rate ⁽¹⁾	GDP growth rate ⁽²⁾	GDP per capita income, 2022
	(million)	(per cent)	(per cent.)	(purchasing power parity in U.S.\$)
Algeria	45.1	1.6	0.7	11,137
Egypt.....	104.7	1.9	4.7	12,785
Jordan.....	10.3	1.0	1.3	10,159
Lebanon ⁽³⁾	6.8	0.0	-10.7	11,410
Tunisia	12.1	1.0	-0.1	10,535
Turkey.....	85.7	1.2	3.8	32,109

Notes:

⁽¹⁾ Calculated as the CAGR for the period 2017 to 2022, except for Lebanon, see note 3 below. Data used for 2021 and 2022 is estimated.

⁽²⁾ GDP at constant prices in national currency. Calculated as the CAGR for the period 2017 to 2022. Data used for 2021 and 2022 is estimated.

⁽³⁾ All data is as at 2020 or calculated as the CAGR for 2017 to 2020.

Source: IMF's World Economic Database April 2022.

In 2021, KIPCO's businesses in Kuwait generated 42 per cent. of its total income in that year.

Group Structure

KIPCO, directly or indirectly, is the ultimate holding company of a number of subsidiaries and associates (companies in which the Group holds more than 20 per cent. of the shares) operating in numerous sectors (as detailed in notes 2.4 and 9 to the 2021 Financial Statements). Its assets substantially comprise shares in Group companies. KIPCO is dependent on income received from other members of the Group.

KIPCO's principal subsidiaries and associates (together the "**Principal Companies**") operate in the financial services, insurance, media and real estate sectors. The remaining Group companies operate in the services and industrial sectors and are primarily controlled by one or more Principal Companies.

The chart below shows the Principal Companies as at 30 June 2022.



Note:

⁽¹⁾ PMG has content rights in 22 countries in the MENA region; however, it currently focuses on seven core markets.

The table below shows KIPCO's consolidated interest in the Principal Companies as of 30 June 2022:

Company	Jurisdiction of incorporation	Status	Year of initial investment	Group's consolidated effective interest ⁽¹⁾ (per cent.)	Board representation ⁽²⁾
Burgan Bank	Kuwait	Subsidiary	1995	61.7	8 of 11
GIG	Kuwait	Associate	1996	45.2	4 of 10 ⁽³⁾
UGH	Bahrain	Subsidiary	1988 ⁽⁴⁾	90.5	5 of 8
PMG ⁽⁵⁾	Dubai International Financial Centre	Subsidiary	1995 ⁽⁶⁾	69.8	3 of 7
URC	Kuwait	Subsidiary	1994 ⁽⁷⁾	73.6	5 of 7

Notes:

⁽¹⁾ Effective interest is computed by adding KIPCO's direct shareholding and its share of indirect interest held through subsidiaries and associates.

⁽²⁾ The number of the Group nominated directors on the board of directors of the relevant Principal Company.

⁽³⁾ GIG has 10 board members, four from KIPCO, three from Fairfax Financial Holdings and three independent directors.

⁽⁴⁾ Represents the year of initial investment in UGB which, after the corporate realignment in 2017, is represented by UGH.

⁽⁵⁾ PMG has seven board members, nominees from KIPCO occupy three director positions, one is currently nominated by Mawarid and three are independent directors.

⁽⁶⁾ Represents the year of initial investment in Gulf DTH LDC, which merged with Orbit in 2009 to form PMG.

⁽⁷⁾ The Group acquired the initial interest in 1994; however, KIPCO acquired a significant additional interest in 2010.

Business of the Group

Overview

KIPCO is a multi-sector holding company headquartered in Kuwait with operating entities across the GCC and the wider MENA region. KIPCO acquires or establishes businesses and builds and grows them with a view to selectively selling businesses when attractive opportunities arise. KIPCO has an experienced management team and benefits from key relationships in the region through its principal shareholders, which include members of the Kuwaiti ruling family.

The Group operates through six principal reporting segments and the table below shows summary information in relation to each reporting segment (excluding the other reporting segment and inter-segment eliminations) for 2021 and as at 31 December 2021.

	Commercial banking	Insurance	AMIB	Media and satellite services	Hospitality and real estate	Industrial
			(per cent.)			
Segment income	62.3	3.3	9.4	14.2	15.4	1.8
Profit/(loss) for the year ..	725.5	207.5	(359.8)	(509.8)	179.6	(134.0)
Segment assets	85.4	1.2	9.2	4.0	8.9	2.9

The Group and its associates have a presence in the following countries in the MENA region:

Company	Present in
Burgan Bank.....	Kuwait, Iraq, Algeria, Tunisia, Turkey, Lebanon (branch of Bank of Baghdad), UAE (representative office in the Dubai International Financial Centre) and Libya (representative office of Tunis International Bank)
JKB.....	Jordan and Cyprus
GIG.....	Kuwait, Saudi Arabia, Lebanon, Egypt, Syria, Jordan, Bahrain, Iraq, UAE, Qatar, Oman, Turkey and Algeria
UGH.....	Bahrain, Kuwait, Tunisia, UAE, Morocco, Malta and Iraq
PMG.....	Content rights in 22 countries in the MENA region; however, it currently focuses on seven core markets, being the UAE, Saudi Arabia, Kuwait, Qatar, Egypt, Bahrain and Jordan
URC.....	Kuwait, Jordan, Egypt, Oman, United Kingdom, Morocco and Lebanon
UIC.....	Kuwait

Commercial banking reporting segment

Overview

The Group has a strong presence in the Kuwaiti banking industry through Burgan Bank and, in Jordan, through JKB.

The commercial banking reporting segment represented 75.2 per cent. of the Group's total assets as at 30 June 2022 and accounted for 57.8 per cent. of its income in 2021 (before inter-segmental eliminations).

Burgan Bank

Introduction

Burgan Bank is a public shareholding company incorporated in Kuwait by Amiri Decree dated 27 December 1975 and its shares are listed on Boursa Kuwait Premier Market. Burgan Bank is regulated by the Central Bank of Kuwait. It is the second largest conventional commercial bank by assets (KD 7,307 million) as at 30 June 2022 and is one of the most diverse banking groups in Kuwait. KIPCO's direct effective interest in Burgan Bank was 35.4 per cent. and its consolidated direct and indirect effective interest was 61.7 per cent. as at 30 June 2022.

At the close of trading on 28 September 2022, the closing price for Burgan Bank's shares on Boursa Kuwait was KD 0.222 per share giving it a market capitalisation of KD 729 million (U.S.\$2,344 million).

Burgan Bank operates principally in Kuwait, where it is a full-service commercial bank. However, it also has controlling interests in three full service commercial banks: Burgan Bank Turkey ("**BBT**"), Gulf Bank of Algeria ("**AGB**"), and Bank of Baghdad ("**BoB**"), with BoB being classified as held for sale, operating in Turkey, Algeria and Iraq, respectively. Burgan Bank also has a controlling interest in Tunis International Bank ("**TIB**"), an offshore bank in Tunisia, and a representative office in the Dubai International Financial Centre.

Burgan Bank, together with its subsidiaries, offers a wide range of commercial banking services to its corporate, private and retail banking customers. As at 30 June 2022, these services were offered through a distribution network of 29 branches and 155 automated telling machines ("**ATMs**") in Kuwait, 32 branches and 32 ATMs in Turkey (through BBT), 63 branches and 104 ATMs in Algeria (through AGB), three branches in Tunisia (through TIB), 32 branches and 75 ATMs in Iraq (through BoB) and one branch and one ATM in Lebanon (through BoB), one representative office in Libya (through TIB) and one representative office in the UAE. In addition, Burgan Bank also offers internet, mobile and telephone banking services to its customers.

Burgan Bank also undertakes international banking activities through a number of correspondent banking relationships and a network of affiliate banks in the Group (including UGB, JKB and FIMBank).

Burgan Bank's key strategic focus areas are to enhance its market share in Kuwait, actively manage its international operations through proactive portfolio realignment, drive digital transformation and drive an environmental, social and governance ("**ESG**") focus across both Burgan bank and its subsidiaries.

Burgan Bank's credit ratings are "A" (with a stable outlook) by Fitch, "Baa1" (with a stable outlook) by Moody's and "BBB+" (with a stable outlook) by S&P.

Business in Kuwait

Burgan Bank has a significant presence in the corporate sector in Kuwait and is also focused on growing its retail and private banking customer base. Burgan Bank's core operating areas in Kuwait comprise the following divisions:

1. *Corporate banking ("**CB**") division*

CB provides a wide range of products and services to both commercial and industrial sectors in Kuwait. It participates in financing significant infrastructure, petrochemical and industrial projects in Kuwait through syndicated loans and direct bilateral financing. It has grown its customer base through a track record of well-established corporate banking relationships.

CB operates through seven main units to provide tailor-made products and specialised services to its corporate sector customers:

- Contracting unit: the contracting unit provides working capital finance to major contracting companies in Kuwait (in both the public and private sectors) through a full range of credit instruments, such as overdrafts, loans, letters of credit and letters of guarantee. It targets top-tier contractors and is rapidly expanding to meet the requirements of the Kuwaiti market. It also provides financing to contractors for their projects, including customised solutions on a project specific basis.
- Trading and automotive unit: the trading and automotive unit focuses on extending a wide range of banking services and credit lines to the trading sector as a whole, with an emphasis on the automotive industry and related entities. Burgan Bank has corporate relationships with most of the leading car importers in Kuwait and provides customised product and service packages to suit the business requirements of this sector.
- Services and energy unit: the services and energy unit focuses on establishing banking and credit relationships with clients in the services and energy sectors in Kuwait. Burgan Bank's services sector clients are mainly involved in contractual cleaning, catering, agriculture and supply of manpower to various governmental institutions. Its energy sector client base includes maintenance, technical and mechanical contractors, as well as suppliers of oil-related equipment and accessories to oil companies such as Kuwait Oil Company, Kuwait National Petroleum Company and Kuwait Integrated Petroleum Industries Company.

- Investment and real estate market unit: the investment and real estate unit specialises in providing short-to-medium term financing to prime investment and real estate corporate entities. It assists its clients in investing, owning and developing real estate projects in Kuwait, other GCC countries and the wider MENA region and Turkey.
- Trading and manufacturing unit: the trading and manufacturing unit focuses on wholesale and retail trading entities and the industrial sector in Kuwait. The unit mainly provides working capital finance to manufacturing companies in Kuwait through a full range of credit instruments, such as loans, letters of credit and letters of guarantee. With a well-equipped and experienced team, it provides standardised financing packages and customised solutions to meet customer specific needs, as well as financial assistance to companies in the food and electronic products industries and sophisticated engineering companies, among others.
- International banking unit: the international banking unit provides banking services to multinational corporations operating in Kuwait and other GCC countries. It plays a major role in providing financial and consulting assistance to various international companies based in Kuwait. It also participates in financing most of the major infrastructure, petrochemical and industrial projects in Kuwait through syndicated loans.
- Small and medium enterprise ("SME") unit: the SME unit provides a wide range of financing solutions to SME clients to ensure that they capitalise on development and growth opportunities. The product offering includes overdrafts, loans, letters of credit and letters of guarantee. The unit finances a wide range of sectors, including trading, manufacturing, agriculture, contracting, the oil sector, tourism, alternative energy and advanced technology.

2. *Financial institutions ("FI") division*

FI develops institutional relationships with banks and non-banking financial institutions ("NBFIs") both within and outside Kuwait. It aims to offer the highest service standards and to optimise key financial institution and correspondent banking relationships through liaising with Burgan Bank's other divisions.

FI adopts a flexible approach to meeting its client's requirements and accordingly structures lending, placements and trade related transactions. It offers correspondent banking services, relationship management, global trade finance (such as letters of credit, letters of guarantees and risk participations), bilateral/syndicated lending and treasury facilities for NBFIs (including investment, insurance, money exchange, brokerage and Islamic investment companies).

3. *Private banking ("PBD") division*

PBD offers a range of tailor-made products and services to high net worth individuals. It also offers consultancy services to its customers to maximise their returns and grow their wealth. PBD focuses on smart growth opportunities to maximise operational efficiency while minimising risk. It also focuses on expanding its cross-border business and adding value for its clients by utilising its international presence. PBD also collaborates with other Burgan Bank divisions to create synergies and enhance its product offering.

4. *Retail banking ("RBD") division*

RBD offers a wide range of products and services to its customers, including a variety of savings and deposit accounts, credit, debit and pre-paid cards, and customer loans. Burgan Bank does not undertake residential mortgage lending in line with current regulations in Kuwait.

RBD's card offering includes credit cards, under the MasterCard and Visa payment processing systems, debit card products under the Visa brand and a multi-currency pre-paid card.

In addition to the development of new products, RBD also periodically reviews the performance of its existing products and, if necessary, makes changes to better suit customers' needs and maintain a competitive edge.

RBD's product range is complemented by strong alternative delivery channels, including a 24/7 telephone banking service and internet/mobile banking platform, which allow customers to make payments, submit requests and make enquiries over the telephone or internet. The provision of an enterprise e-payment

platform (through ACI Worldwide) allows Burgan Bank to provide online banking services for daily banking activities and online payment for goods and services through its secure electronic platforms.

5. *Treasury division*

Treasury is actively involved in the management of financial market risks on Burgan Bank's balance sheet, sourcing efficient and secure funding, providing risk solutions to both internal and external clients, managing foreign exchange translation and related risks, and managing customer and interbank relationships. This is undertaken with strict adherence to the legal, compliance and limit framework approved by Burgan Bank's board of directors and its regulators.

6. *Investment division*

Investment focuses on enhancing Burgan Bank's return on equity by managing a diversified proprietary investment portfolio which includes fixed income and equity (listed and private) securities. A comprehensive top-down approach is followed to determine asset selection using a wide array of factors and within board-approved policies and procedures and regulatory requirements. The risk/reward parameters are well-defined for each type of investment portfolio.

Investment follows a robust framework for investment recommendations in which proposals being presented to the Burgan Bank Board's Investment and Credit Committee for approval are also reviewed from risk, compliance, finance and legal perspectives.

International operations

The following provides an overview of Burgan Bank's international operations as at 30 June 2022:

- BBT was originally founded in 1989 and is a mid-sized bank in terms of assets. It focuses on the corporate banking sector and is expanding its presence in selective retail businesses;
- AGB was established on 15 December 2003 as a commercial bank in Algeria. Since its establishment, AGB has aimed to contribute to the economic and financial development of Algeria, and to provide professional services and high-quality products;
- BoB was established in 1992. Its customer base comprises SMEs, large corporates and individual customers. BoB was the first licensed private bank to commence banking operations in 1992 in Iraq, after the change in the banking regulations by the Central Bank of Iraq; and
- TIB was established in June 1982 as the first fully licensed offshore banking corporation in Tunisia.

Financial summary

The financial information set out below has been extracted from Burgan Bank's published audited consolidated financial statements for 2021 and its unaudited interim condensed consolidated financial information for the six months ended 30 June 2022.

	2020	2021	As at and for the six months ended 30 June	
			2021	2022
			<i>(KD million)</i>	
Total assets.....	7,106.1	7,074.9	6,945.7	7,306.6
Loans and advances to customers.....	4,345.1	4,278.7	4,239.1	4,192.5
Net interest income	140.0	128.2	61.5	66.5
Net operating income	212.8	234.7	112.0	110.4
Profit for the period attributable to equity holders of Burgan Bank.....	33.7	45.4	24.0	27.2
Basic and diluted earnings per share attributable to the equity holders of Burgan Bank (fils).....	8.9	13.1	7.2	6.3

Burgan Bank's total assets as at 31 December 2021 were KD 7,075 million, which was KD 31 million, or 0.4 per cent., lower than the level as at 31 December 2020. Burgan Bank's asset base increased by KD 232 million, or 3.3 per cent., in the six months ended 30 June 2022 to reach KD 7,307 million from KD 7,075

million as at the end of 2021, mainly due to an increase in its cash and cash equivalents and treasury bills and bonds with the CBK and others.

In 2021, Burgan Bank's net interest income decreased by KD 12 million, or 8.4 per cent., to KD 128 million compared to KD 140 million in 2020, principally as a result of lower net interest margins reported under key operations due to interest rate cuts in early 2020. For the six months ended 30 June 2022, Burgan Bank's net interest income increased by KD 5 million, or 8.1 per cent., to KD 67 million compared to KD 62 million in the equivalent period of 2021, mainly due to an improvement in net interest margins driven by a lower cost of funds in the Kuwait business.

Burgan Bank's profit for the year attributable to equity holders increased by KD 12 million, or 34.7 per cent., to KD 45 million in 2021 compared to KD 34 million in 2020, driven by higher investment income and recoveries. For the six months ended 30 June 2022, Burgan Bank's profit for the period attributable to equity holders increased by KD 3 million, or 13.3 per cent., to KD 27 million compared to KD 24 million in the equivalent period of 2021, principally due to higher net interest income and lower provisions reflecting the improving operating environment and stringent risk practices in subsidiaries.

Burgan Bank has sound asset quality and, as at 30 June 2022, Burgan Bank's ratio of non-performing loans to gross credit facilities (being cash facilities plus non-cash facilities) was 2.6 per cent. and its ratio of total provisions to non-performing assets (calculated as total general and specific provisions plus the value of collateral related to non-performing assets divided by non-performing assets) was 235 per cent.

As at 30 June 2022, Burgan Bank had a Basel III Common Equity Tier 1 capital adequacy ratio of 11.1 per cent. and a total capital adequacy ratio of 17.2 per cent.

Jordan Kuwait Bank

Introduction

Established in 1976, JKB is a medium-sized commercial bank in Jordan. As at 30 June 2022, JKB had a network of 67 branches inside Jordan and one foreign branch in The Republic of Cyprus. JKB was the first bank in Jordan to launch internet banking and several other electronic delivery channels. JKB is regulated by Central Bank of Jordan. KIPCO's effective interest in JKB is 51.2 per cent.

JKB's shares are listed on the Amman Stock Exchange. At the close of trading on the Amman Stock Exchange on 28 September 2022, JKB's closing share price was JOD 1.62 per share, giving it a market capitalisation of JOD 243 million (U.S.\$343 million).

Business

JKB provides retail and corporate banking services, which include credit operations, treasury and private banking, as well as leasing, financial services and brokerage through subsidiary companies. JKB's retail banking accounts include current accounts, term deposit accounts, savings accounts and certificates of deposit in various currencies. JKB also offers retail and consumer loans and credit cards. JKB's corporate products include credit facilities and trade finance as well as managing stock issues and the payment of dividends for public shareholding companies. JKB grants personal loans to individuals from the government sector, public institutions and major companies against the transfer of their salaries. JKB services its retail and commercial customers through its traditional branch and ATM network, its mobile branches "JAWWAL" and electronic banking services including SMS, internet and mobile application.

JKB's strategic focus is to:

- increase its market share in Jordan;
- support retail banking and SMEs through the expansion of its branch and ATM network;
- enhance its profitability while maintaining current key performance indicators;
- increase penetration in private banking and the wealth management segment;
- diversify its customer base by reducing concentration;

- continue the reduction in the size of its real estate portfolio gained through the enforcement of security on non-performing loans;
- improve its asset quality and continue the reduction in its non-performing loans;
- explore inorganic options on an opportunistic basis; and
- regional expansion to diversify its portfolio.

Financial summary

The financial information set out below has been extracted from JKB's published audited financial statements for 2021 and its unaudited interim condensed consolidated financial information for the six months ended 30 June 2022.

			As at and for the six months ended 30 June	
	2020	2021	2021	2022
	(JOD million)			
Total assets.....	2,809.9	3,005.1	2,784.7	3,177.8
Direct credit facilities (net).....	1,556.5	1,687.3	1,589.3	1,805.3
Gross income.....	108.2	111.9	53.4	71.2
Income/(loss) for the period from continuing operations.....	(4.0)	7.7	3.2	7.6
Net (loss) / profit from non-continued operations.....	(0.5)	—	(0.4)	—
Profit/(loss) for the period attributable to equity holders of bank .	(4.5)	7.7	2.8	7.6

As at 31 December 2021, JKB's total assets increased by JOD 195 million, or 6.9 per cent., to JOD 3,005 million compared to JOD 2,810 million as at 31 December 2020 primarily driven by an increase in financial assets at amortised cost and direct credit facilities. As at 30 June 2022, JKB's total assets increased by JOD 173 million, or 5.7 per cent., to JOD 3,178 million compared to 31 December 2021 primarily driven by an increase in financial assets at amortised cost and direct credit facilities.

As at 31 December 2021, JKB's direct credit facilities (net) amounted to JOD 1,687 million, an increase of JOD 131 million, or 8.4 per cent., from JOD 1,557 million as at 31 December 2020. As at 30 June 2022, JKB's direct credit facilities (net) amounted to JOD 1,805 million, an increase of JOD 118 million, or 7.0 per cent., from JOD 1,687 million as at 31 December 2021.

In 2021, JKB's gross income increased by JOD 4 million, or 3.4 per cent., to JOD 112 million compared to JOD 108 million in 2020. This increase principally reflected a marginal improvement in net interest income and increased miscellaneous revenues. In the six months ended 30 June 2022, JKB's gross income increased by JOD 18 million, or 33.4 per cent., to JOD 71 million compared to JOD 53 million in the equivalent period of 2021, principally as a result of higher net interest income and miscellaneous revenues.

In 2021, JKB's profit for the year attributable to its equity holders was a profit of JOD 8 million compared to a loss of JOD 5 million in 2020. The loss in 2020 principally reflected high impairment provisions on credit facilities and expected credit losses due to COVID-19 and a conservative approach by management in this connection. The improvement in profitability in 2021 was mainly due to lower impairment provisions on credit facilities and expected credit losses due to an improvement in market conditions and the overall economy in addition to a new management plan to improve JKB's market share. In the six months ended 30 June 2022, JKB reported a net profit of JOD 8 million attributable to its equity holders compared to a net profit of JOD 3 million for the equivalent period in 2021, mainly due to higher gross income in the 2022 period.

JKB's capital adequacy ratio determined in accordance with Central Bank of Jordan regulations was 18.73 per cent. as at 30 June 2022.

Insurance reporting segment

Overview

The insurance reporting segment represented 1.0 per cent. of the Group's total assets as at 30 June 2022 and accounted for 3.0 per cent. of its income in 2021 (before inter-segmental eliminations).

Gulf Insurance Group

Introduction

GIG, an associate of KIPCO, is a company incorporated in Kuwait by Amiri Decree No. 25 dated 9 April 1962. Its shares are listed on Boursa Kuwait Main Market. GIG, as a Kuwaiti insurance company, is regulated by the Insurance Regulation Unit (IRU) and the Ministry of Commerce and Industry in Kuwait.

KIPCO's direct effective interest in GIG is 34.7 per cent. and its consolidated direct and indirect effective interest is 45.2 per cent. GIG is equity accounted as an associate in the Financial Statements. Although this means that the Group only recognises its proportionate share of the profit or loss recorded by GIG in the Financial Statements, the Group nevertheless considers insurance to be its second most material reporting segment.

At the end of trading on 28 September 2022, the closing price for GIG's shares on Boursa Kuwait was KD 0.995 per share giving it a market capitalisation of KD 282 million (U.S.\$908 million).

GIG's strategy is to pursue regional expansion by way of selected acquisitions or investments in its target territories at conservative book value multiples, and less frequently by way of applications for new insurance licenses. GIG's strategy is to become a regional market leader in insurance provision by increasing its customer focus and providing a single contact for all of its customers' insurance needs. In addition to existing economies, GIG is focusing on MENA region economies for expansion. GIG has also established a multi-phase plan for its customer relationship management programme directed at gaining insight into customer purchasing behaviour. In addition, GIG's strategy is to progress its digital transformation journey with a customer-centric approach, along with maintaining its financial strength ratings through sound utilisation of capital, proper management of risks, optimal use of rated reinsurance and conservative technical reserving. GIG also focuses on growing its takaful business (which offers insurance products structured in compliance with Islamic Shariah laws) and is seeking new distribution channels and new partner banks. GIG currently has takaful operations in Kuwait, Bahrain, Egypt and Saudi Arabia.

Business

Gulf Insurance & Reinsurance Company K.S.C. (Closed) ("**GIG-Kuwait**"), which is 99.8 per cent. owned by GIG, is a key source of income and earnings for GIG. It is the leading insurance provider in Kuwait in terms of premium income based on Kuwait Insurance Federation statistics.

Having established a presence in Kuwait, GIG expanded across the MENA region by:

- acquiring a 100.0 per cent. interest in Saudi Pearl Insurance Company ("**SPI**") in Saudi Arabia in 2000. Following a change in regulation, GIG along with other investors established the Al-Buruj Cooperative Insurance Company which was listed on the Saudi Stock Exchange in October 2009 and received its commercial license in February 2010. The insurance business of SPI was transferred to the newly established company upon the completion of regulatory formalities. GIG had a 28.5 per cent. shareholding in Al Buruj Co-Operative Insurance Company as at 30 June 2022;
- establishing Fajr Al-Gulf Insurance and Reinsurance Company S.A.L ("**Fajr Al-Gulf**") in Lebanon by a merger of International Trust Insurance Company SAL with Al-Fajr Insurance and Reinsurance Company SAL to form Fajr Al-Gulf in 2003. GIG had a 92.7 per cent. shareholding in Fajr Al-Gulf as at 30 June 2022;
- acquiring a 54.0 per cent. interest in Egypt's Arab Misr Insurance Group Company S.A.E. ("**GIG-Egypt**") in February 2005. GIG had a 99.0 per cent. shareholding in GIG Egypt as at 30 June 2022;
- acquiring a 21.4 per cent. interest in Bahrain Kuwaiti Insurance Company B.S.C. ("**GIG-Bahrain**") in December 2005, which was increased to 51.2 per cent. in 2008 and to its level of 56.1 per cent. as at December 2010. GIG had a 56.1 per cent. shareholding in GIG-Bahrain as at 30 June 2022;
- in April 2017, GIG- Bahrain increased its holding in the share capital of Takaful International B.S.C. ("**GIG-Bahrain Takaful**"), a listed company on the Bahrain Bourse, to 63.6 per cent. from 40.9 per cent. As a result, GIG-Bahrain Takaful became an indirect subsidiary of GIG and has been

consolidated from that date. GIG Bahrain owned 81.9 per cent. of GIG-Bahrain Takaful as at 30 June 2022;

- establishing Syrian Kuwait Insurance Company ("**GIG-Syria**") in December 2006 with an initial 44.4 per cent. direct interest. GIG-Syria commenced operations in 2007 and GIG had a 54.3 per cent. shareholding in GIG-Syria as at 30 June 2022;
- establishing GIG-Kuwait, which started operations as a separate legal entity on 1 January 2008 after obtaining the necessary license from the Kuwaiti authorities. GIG had an effective interest of 99.8 per cent. in GIG-Kuwait as at 30 June 2022;
- acquiring a 42.0 per cent. interest in Jordan's Arab Orient Insurance Company J.S.C. ("**GIG Jordan**") in May 2009 and a further 13 per cent. interest in June 2009 from JKB (inter-Group transaction) which was further increased to 88.7 per cent. as at December 2010. GIG-Jordan is the largest insurance company in Jordan in terms of market share and revenues according to statistics issued by the Jordan Insurance Federation (GIG-Jordan had a 14.2 per cent. market share in 2021). GIG had a 89.9 per cent. shareholding in GIG Jordan as at 30 June 2022;
- together with GIG-Kuwait, acquiring a 59.5 per cent. interest in Egyptian Life Takaful Insurance Company in 2010. GIG had 61.3 per cent. effective interest in Egyptian Life Takaful Insurance Company as at 30 June 2022;
- acquiring a 51.0 per cent. interest in Dar Al Salam Insurance Company ("**GIG-Iraq**"), Iraq in 2011. GIG had a 79.9 per cent. shareholding in GIG-Iraq as at 30 June 2022;
- acquiring a shareholding of 20.0 per cent. in Alliance Insurance Company P.S.C. in the UAE in 2012, which it retained as at 30 June 2022;
- acquiring a shareholding of 20.1 per cent. in Al-Argan International Real Estate Company K.S.C.P. in the State of Kuwait in 2013, which it retained as at 30 June 2022;
- acquiring its current 25.0 per cent. shareholding in Egyptian Takaful Property and Liability S.A.E. in Egypt in 2014;
- expanding in Algeria by partnering with local entities, the Hydrocarbon Insurance Company and National Bank of Algeria, to establish a life insurance company, Algerian Gulf Life Insurance Company, with a capital of U.S.\$9.0 million. GIG had a 42.5 per cent. shareholding in Algerian Gulf Life Insurance Company as at 30 June 2022;
- acquiring a 51 per cent. shareholding in an Algerian insurance company, "L'Algérienne des Assurances (2A)", in 2015 which it retained as at 30 June 2022;
- acquiring a 90 per cent. interest in a Turkish non-life insurance company, Turins Sigorta Anonim Şirketi in June 2016 and a 100 per cent. interest in AIG Sigorta Anonim Şirketi in 2017, a Turkish non-life insurance company. GIG merged the acquired companies under the name Gulf Sigorta ("**GIG-Turkey**") and had a 99.2 per cent. shareholding in GIG-Turkey as at 30 June 2022;
- acquiring a 9.6 per cent interest in Yallacompare in May 2020, which it retained as at 30 June 2022. Yallacompare is one of the leading insurance and financing products comparison companies in the Middle East;
- acquiring AXA's insurance operations in the Gulf region for a total cash consideration of U.S.\$474.8 million in September 2021. The transaction included AXA's shareholding in AXA Gulf (with operations in Bahrain, the UAE, Oman and Qatar), AXA Cooperative Insurance Company (with operations in Saudi Arabia) and AXA Green Crescent Insurance Company (with operations in the UAE); and
- acquiring a 65.2 per cent. interest in Gulf Takaful Insurance Company, Kuwait ("**Gulf Takaful**") in December 2020 through GIG-Kuwait. GIG is currently in the process of transferring its takaful unit portfolio in Kuwait to Gulf Takaful in line with the new regulatory framework in Kuwait. GIG had a 66.6 per cent. shareholding in Gulf Takaful as at 30 June 2022.

In September 2010, KIPCO announced that it had entered into a strategic relationship with Fairfax Financial Holdings, a global leader in insurance and re-insurance headquartered in Canada. As part of the transaction, a Fairfax affiliate purchased a 41.3 per cent. interest in GIG and had a shareholding of 43.7 per cent. as at 30 June 2022.

Financial summary

The financial information set out below has been extracted from GIG's published audited consolidated financial statements for 2021 and unaudited interim condensed consolidated financial information for the six months ended 30 June 2022.

			As at and for the six months ended 30 June	
	2020	2021	2021	2022
		(KD million)		
Total assets.....	800.7	1,356.5	800.0	1,338.3
Premium written.....	444.4	548.5	253.0	458.7
Net underwriting income.....	28.0	41.6	14.3	34.2
Profit for the period.....	20.1	54.5	13.6	18.0
Profit for the period attributable to the equity holders of the parent company.	16.3	50.2	11.8	15.0
Earnings per share (fils) (basic & diluted).....	79.9	223.7	53.5	52.9

GIG's gross premiums written ("GPW") increased by KD 104 million, or 23.4 per cent., from KD 444 million in 2020 to KD 548 million in 2021, primarily from GIG-Kuwait and the acquisition of the AXA Gulf operations in September 2021. In the six months ended 30 June 2022, GIG's GPW grew by KD 206 million, or 81.3 per cent., to KD 459 million compared to KD 253 million in the equivalent period in 2021. The increase was principally driven by additional premiums due to the consolidation of AXA's operations (principally AXA Gulf and AXA Cooperative Insurance Company) with growth in GIG-Kuwait, GIG-Turkey and GIG-Bahrain.

GIG's net underwriting income increased by KD 14 million, or 48.8 per cent., in 2021 to KD 42 million compared to KD 28 million in 2020. This increase was principally derived from the consolidation of AXA's operations (principally AXA Gulf and AXA Cooperative Insurance Company) which was reflected in an improvement in the motor and general accidents lines of business. For the six months ended 30 June 2022, GIG's net underwriting income increased by KD 20 million to KD 34 million from KD 14 million in the equivalent period in 2021. This increase was mainly due to the contribution from AXA Gulf's operations which was reflected in the medical, property and motor lines of business.

GIG recorded an increase in net profit attributable to equity holders of the parent company of KD 34 million, or 207.5 per cent., to KD 50 million in 2021 compared to KD 16 million in 2020. This increase was driven by a gain from the re-measurement of GIG's stake in AXA Cooperative Insurance Company which became a subsidiary during the period along with a gain on bargain purchase on the acquisition of Gulf Takaful Insurance Company. For the six months ending 30 June 2022, GIG's net profit attributable to equity holders of the parent company increased by KD 3 million, or 27.5 per cent., to KD 15 million from KD 12 million in the equivalent period in 2021. This increase was driven by the consolidation of AXA Gulf's operations along with improvements in the operating performance of GIG's subsidiaries.

Asset management and investment banking reporting segment

Overview

The Group operates in the AMIB market in the MENA region principally through UGH, which owns 100 per cent. of UGB, and Kamco Invest.

The AMIB reporting segment represented 8.2 per cent. of the Group's total assets as at 30 June 2022 and accounted for 8.7 per cent. of its income in 2021 (before inter-segmental eliminations).

United Gulf Holding Company

Introduction

UGH is a public Bahraini shareholding company which was registered with the Bahrain Ministry of Industry, Commerce and Tourism on 28 June 2017 with commercial registration number 114160. Its

principal activities are that of a holding company. Through its subsidiaries and associates it has interests in commercial and investment banking and asset management services and real estate. UGH, through its subsidiaries, also manages a diversified portfolio of investments in private equity funds, private equities, structured products and trading portfolios.

KIPCO's direct effective interest in UGH was 32.2 per cent. and its consolidated direct and indirect effective interest was 90.5 per cent., in each case as at 30 June 2022.

As at the end of trading on 28 September 2022, the closing price for UGH's shares on the Bahrain Stock Exchange was BD 1.24 per share giving it a market capitalisation of BD 544 million (U.S.\$1,430 million).

Business

UGH's principal investments at consolidated level are its 100 per cent. interest in UGB, its 59.9 per cent. interest in Kamco Invest, its 78.6 per cent. interest in FIMBank (which is an international trade finance specialist providing trade finance solutions to corporates, banks and individuals worldwide), its 9.9 per cent. interest in URC (which is described below) and its 15.0 per cent. interest in Burgan Bank (which is described above).

UGB

UGB is a closed joint stock company incorporated in the Kingdom of Bahrain in 1980, under commercial registration number 10550. The principal activities of UGB and its subsidiaries comprise AMIB, merchant banking, treasury operations and other investment-related activities.

UGB was registered under an investment banking license issued by the Central Bank of Bahrain (previously known as the Bahrain Monetary Agency). On 1 July 2006, the Central Bank of Bahrain implemented a new regulatory and supervisory framework for licensing banks in Bahrain. Under the new framework, UGB is licensed as a conventional wholesale bank, with its regulated activities including lending to, and accepting deposits from, wholesale counterparties.

UGB offers its clients the full range of investment banking (including corporate finance and advisory services), merchant banking, asset management and brokerage services, both directly and indirectly through its subsidiaries and associates in the financial services sector. UGB also has a diversified proprietary portfolio of investments, including listed and unlisted private equity, securities and other financial instruments.

UGB also has a track record of incubating and growing businesses, including four commercial banks that were transferred to Burgan Bank in 2008.

Kamco Invest

Kamco Invest operates in key regional capital markets and is one of the largest investment companies in the GCC in terms of AuM. Kamco Invest provides a comprehensive range of investment products and services in asset management, investment banking and brokerage. It has AuM allocated across various asset classes and jurisdictions and, since it was established, has acted as investment banker on equity capital market, debt capital market and merger and acquisition transactions with a value exceeding exceeding KD 9 billion.

During 2019, Kamco Invest completed a merger with Global Investment House ("**Global**") in which Global's investment products and services, managed real estate, asset management business, brokerage subsidiary and physical infrastructure in Kuwait, as well as its international offices in the UAE, Saudi Arabia, Bahrain, Egypt, Jordan and Turkey, were merged into Kamco Invest.

Financial summary

The financial information set out below has been extracted from UGH's published audited consolidated financial statements for 2021 and unaudited consolidated financial statements for the six months ended 30 June 2022.

	2020	2021	As at and for the six months ended 30 June	
			2021	2022
			<i>(U.S.\$ million)</i>	
Total assets.....	3,264.9	3,255.5	3,309.1	3,275.1
Total income	139.1	182.0	94.9	92.2
Net profit/(loss) for the period from continuing operations.....	(84.5)	4.9	9.5	2.6
Net profit/(loss) for the period attributable to equity holders of the parent	(70.3)	(8.3)	0.5	(2.5)
Earnings/(loss) per share for continuing operations attributable to shareholders of parent (in cents) (basic & diluted)	(18.7)	(3.7)	(0.8)	(1.6)

As at 31 December 2021, UGH had total assets of U.S.\$3,256 million, a decrease of U.S.\$9 million, or 0.3 per cent., compared to the U.S.\$3,265 million held as at 31 December 2020. As at 31 December 2021, UGH's loans and receivables were U.S.\$625 million, an increase of U.S.\$31 million, or 5.3 per cent., compared to U.S.\$594 million as at 31 December 2020. UGH's investments carried at fair value through the income statement accounted for 16.7 per cent. of its total assets as at 31 December 2020 compared to 17.0 per cent. as at 31 December 2021. As at 30 June 2022, UGH had total assets of U.S.\$3,275 million, an increase of U.S.\$20 million, or 0.6 per cent., compared to U.S.\$3,256 million as at 31 December 2021. As at 30 June 2022, UGH's loans and receivables declined by U.S.\$7 million, or 1.0 per cent., to U.S.\$619 million from U.S.\$625 million as at 31 December 2021. UGH's investments carried at fair value through the income statement accounted for 16.4 per cent. of its total assets as at 30 June 2022.

UGH's total income in 2021 increased by U.S.\$43 million, or 30.8 per cent., to U.S.\$182 million from U.S.\$139 million in 2020, primarily due to a recovery in investment income which had fallen in 2020 as a result of adverse market movements along with higher interest income and share of results of associates. UGH's total income for the six months ended 30 June 2022 declined by U.S.\$3 million, or 2.8 per cent., to U.S.\$92 million compared to U.S.\$95 million in the equivalent period of 2021, mainly due to lower investment income, partly offset by an increase in share of results from associates along with higher fees and commissions.

UGH's net loss attributable to equity holders of the parent was U.S.\$8.3 million in 2021, a reduction in net loss of U.S.\$62 million, or 88.2 per cent., from a loss of U.S.\$70 million in 2020. This reduction was primarily due to an improving operating environment following the COVID-19-impacted 2020. For the six months ended 30 June 2022, UGH reported a net loss attributable to equity holders of the parent of U.S.\$2.5 million compared to a net profit of U.S.\$0.5 million in the equivalent period of 2021. This was mainly due to higher allowance for expected credit losses of U.S.\$4.4 million in six months ended 30 June 2022 as compared to a write-back of U.S.\$0.6 million in the equivalent period of 2021.

Media and satellite services reporting segment

Overview

The media and satellite services reporting segment represented 3.4 per cent. of the Group's total assets as at 30 June 2022 and accounted for 13.2 per cent. of its income in 2021 (before inter-segmental eliminations).

PMG

Introduction

PMG was incorporated in 2009 as a joint venture between KIPCO and Mawarid Holding Company to merge the operations of two competing satellite pay TV operators in the Middle East region, "Showtime" and "Orbit". PMG is now a subsidiary of KIPCO, which has a consolidated effective interest of 69.8 per cent. PMG is registered in the Dubai International Financial Centre and has its headquarters in Dubai.

Business

PMG operates under the brand "OSN" and provides media and entertainment content in the MENA region over a platform-agnostic network comprising OTT, DTH and IPTV, in addition to commercial distribution arrangements. PMG offers OSN+, its OTT service as well as DTH and IPTV channels to customers, showcasing an extensive range of premium western, Arabic and children's content. PMG has various exclusive contracts with major Hollywood studios, including first window rights, enabling it to

show the most popular movies and latest series. PMG also commissions or produces OSN Originals, a growing portfolio of productions in which it owns longer term intellectual property rights.

PMG became a subsidiary of the Group in the quarter ended 31 March 2020, as a result of an increase in its equity ownership.

PMG has three key segments:

- OSN TV, which provides premium pay TV services and has been a key pillar of the OSN brand for many years;
- OSN+, its OTT service, with more than 18,000 hours of on-demand content; and
- B2B, which includes a range of telecommunication companies and other commercial partnerships.

PMG has content rights in 22 countries, but mainly focuses on seven core markets, being the UAE, Saudi Arabia, Kuwait, Qatar, Egypt, Bahrain and Jordan. Expansion in the other territories is primarily conducted through distribution partnerships and is evolving as part of PMG's initiative to sign agreements with regional telecommunication companies. As at 30 June 2022, PMG's total subscriber base was approximately 1.5 million. PMG addresses the demand for Western and Arabic programming in the MENA region through its OTT service and its DTH propositions, with 67 channels, which includes 43 HD channels and 18 owned and operated channels in linear TV, showing premium entertainment in the English and Arabic languages. It offers the latest Hollywood movies and series in the Middle East. It carries some of the world's largest global programming brands including HBO, Discovery, NBCU and Paramount, as well as an increasing portfolio of OSN Originals.

PMG has significantly grown its OTT service, OSN+, since it was launched on an all-new platform in April 2020. With many telecommunication company partnerships already established and others in the pipeline across the MENA region, PMG aims to accelerate its OTT growth both in key markets as well as in other low-income markets. PMG's OTT platform enables multiple user profiles, allowing demographic profiling of users and content presentation focusing on enhanced search and discovery.

PMG faces competition from regional pay TV operators, although none has the range of series, movies and general entertainment rights that PMG enjoys. It also faces competition from regional and international streaming providers, including Netflix and Disney+, and others that may eventually attempt to develop their businesses in the region. In addition, piracy is also a threat to PMG's growth, although PMG maintains a leading anti-piracy programme to manage the threat.

Financial summary

As at 1 January 2020, PMG was classified in the Group's financial statements as "Assets held for sale" in accordance with IFRS 5. As a result of its participation in various capital calls in early 2020, KIPCO concluded that it was able to exercise control over PMG which therefore became a subsidiary of the Group in March 2020. As a result, the Group determined that its investment in PMG no longer met the criteria of IFRS 5.

On PMG becoming a subsidiary, it was accounted for as a business combination in accordance with IFRS 3. Since the business combination was achieved in stages, the Group re-measured its previously held equity interest in PMG at the acquisition date and recognised a gain of KD 76 million.

The financial information set out below has been extracted from note 29 to the 2021 Financial Statements and note 14 to the Interim Financial Information.

	2020 ⁽¹⁾	2021	For the six months ended 30 June	
			2021	2022
		(KD million)		
Media & satellite segment revenue.....	156.5	101.3	53.2	41.6
Media & satellite segment results.....	(11.9)	(57.2)	(21.8)	(28.1)

Note:

⁽¹⁾ Media & satellite segment revenue and results includes gain on re-measurement of previously held equity interest of KD 76 million.

PMG recorded losses in each of 2020 and 2021 and in each of the six month periods ended 30 June 2021 and 30 June 2022. These reflect the competitive market it is operating in as well as the impact of piracy. Although PMG's management is taking steps to mitigate losses and appropriate support is being provided by KIPCO, there can be no assurance that PMG will return to profitability in the short term, see "*Risk Factors – Factors that may affect the Guarantor's ability to fulfil its obligations under the guarantee of the Notes – Risks relating to the Group and the Guarantor generally – The Group may be adversely affected by increased competition*".

Hospitality and real estate reporting segment

Overview

The hospitality and real estate reporting segment represented 7.8 per cent. of the Group's total assets as at 30 June 2022 and accounted for 14.3 per cent. of its income in 2021 (before inter-segmental eliminations).

United Real Estate Company

Introduction

URC, in which the Group had a 73.6 per cent. consolidated direct and indirect effective interest as at 30 June 2022, is one of the leading real estate developers and investors in Kuwait and the MENA region with consolidated assets of KD 600 million as at 30 June 2022. URC was established in 1973 under an Amiri decree as a Kuwait shareholding company (registration number 19140). It was listed on Boursa Kuwait in 1984 and trades on the Main Market. KIPCO's direct effective interest in URC was 53.8 per cent. as at 30 June 2022.

URC primarily operates through operating subsidiaries across the MENA region.

At the close of trading on 28 September 2022, the closing price for URC's shares on Boursa Kuwait was KD 0.078 per share, giving it a market capitalisation of KD 83 million (U.S.\$269 million).

Business

URC's core business is real estate development and operations and it has a diversified portfolio of assets that include commercial centres, hotels, residential properties and high-rise office buildings. URC's operations include construction and contracting services, facilities management and project management which are primarily conducted through subsidiaries.

URC's portfolio of assets is geographically spread throughout the MENA region and include landmark projects such as Marina World, Marina Hotel and Marina Plaza (in Kuwait), Salalah Gardens Mall and Salalah Gardens Residences (in Oman), Hilton Heliopolis Hotel, Waldorf Astoria Cairo and Aswar Residences and Manazel Residences (in Egypt), Abdali Mall (in Jordan) and Raouche View Premium Residential Apartments (in Lebanon).

In May 2022, URC announced the acquisition of United Tower Holding company ("**UTHC**") and Al Dhiyafa Holding company ("**DHC**") through a merger of these two entities into URC. As at 30 June 2022, URC owned approximately 40 per cent. of UTHC and approximately 82 per cent. of DHC. The CMA issued its approval on the merger contract on 11 August 2022. Subject to the approval of shareholders and completion of necessary regulatory procedures, the transaction is expected to be completed by end of 2022.

Current real estate developments

URC is developing the Hessah Al Mubarak district, through MENA Homes, in which URC owns 35.7 per cent. of the shares as at 30 June 2022. Hessah Al Mubarak district is Kuwait's first comprehensive mixed-use development and is located in the outskirts of Kuwait City overlooking the Arabian Gulf. The project's total built up area is 381,000 m² and it includes high-rise and low-rise residential buildings (apartments and townhouses), serviced apartments, office towers, clinics and retail components.

In Morocco, URC is undertaking the Assoufid, Marrakech project. This is a premium gated mixed-use development that spreads over 2.5 million m² of naturally elevated land. It includes a golf course (which

has been completed and is operational), a luxury hotel (currently under construction), branded villas, residential villas, apartments, retail shops and a wellness centre.

Financial summary

The financial information set out below has been extracted from URC's published audited consolidated financial statements for 2021 and unaudited interim condensed consolidated financial information for the six months ended 30 June 2022.

	2020	2021	As at and for the six months ended 30 June	
			2021	2022
		(KD million)		
Total assets.....	607.0	600.4	611.0	599.6
Revenue	96.3	84.9	43.1	40.7
Net profit/(loss) for the period.....	(17.1)	(6.5)	1.0	6.6
Net profit/(loss) for the period attributable to equity holders of the parent company	(16.3)	(5.0)	1.3	6.6
Earnings/(loss) per share (in fils) (basic & diluted)	(15.2)	(4.6)	1.2	6.1

URC's total assets decreased by KD 7 million, or 1.1 per cent., to KD 600 million as at 31 December 2021 compared to KD 607 million as at 31 December 2020 due to a decrease in the fair value of its investment properties. As at 30 June 2022, URC had a total asset base of KD 600 million, a decrease of KD 0.8 million, or 0.1 per cent., compared to KD 600 million as at 31 December 2021.

In 2021, URC's revenue was KD 85 million, a KD 11 million, or 11.9 per cent., decrease compared to KD 96 million in 2020 which was mainly driven by a decrease in contracting and services revenue. URC's revenue for the six months ended 30 June 2022 decreased by KD 2 million, or 5.5 per cent., to KD 41 million from KD 43 million in the equivalent period in 2021. This decrease was mainly due to lower revenues from the contracting segment.

URC's net loss attributable to equity holders of the parent company in 2021 was KD 5.0 million, a decrease in net loss of KD 11 million, or 69.6 per cent., compared to a net loss of KD 16 million in 2020. Following a slowdown due to COVID-19 in 2020, URC's operations recovered steadily in 2021, reflecting increased rental income from shopping centres, an improvement in hospitality income and a significant improvement in revenue from real estate services. URC's net profit attributable to equity holders of the parent company was KD 6.6 million in the six months ended 30 June 2022 compared to KD 1.3 million in the equivalent period of 2021. The growth was mainly driven by the easing of COVID-19-related restrictions and normalisation of operations, which resulted in increased rental income from shopping centres, and improved hospitality sector and real estate services revenue.

Industrial reporting segment

Overview

The Group holds shares or other investments in companies active in a variety of industries primarily through UIC.

The industrial reporting segment represented 2.6 per cent. of the Group's total assets as at 30 June 2022 and accounted for 1.6 per cent. of its income in 2021 (before inter-segmental eliminations).

UIC

Introduction

UIC was established in 1979 and is a closed shareholding company based in Kuwait. It was listed on Boursa Kuwait in 1997 and was voluntarily delisted from Boursa Kuwait in December 2014. UIC is a 57.0 per cent. directly owned subsidiary of KIPCO and KIPCO's consolidated direct and indirect effective interest was 79.4 per cent. as at 30 June 2022.

Business

UIC's major investment is QPIC in which UIC currently has a 30.2 per cent. interest, although this will change following the Merger, see "*The Merger*" above.

As part of the Government of Kuwait's strategy to privatise the hydrocarbon industry, QPIC was incorporated in 2004 by Petrochemical Industries Company K.S.C.C. ("**PIC**"), the petrochemical arm of the Government of Kuwait and listed on Boursa Kuwait on 9 July 2007. It is a holding company investing in the petrochemical and oil services, food and dairy, health and logistics sectors. As at 30 June 2022, QPIC holds:

- a 40.7 per cent. interest in SADAFCO, which operates as a food manufacturer, distributor and marketer in the Middle East. SADAFCO has an extensive product portfolio including plain and flavoured milk, Laban, soy milk, evaporated milk, date milk and thick cream, tomato paste, feta cheese, crispy snacks, juices, flavoured sparkling water and still water. It currently offers around 170 stock keeping units (SKUs) with its core products being marketed under its flagship Saudia brand. Other trademarks in the portfolio include Crispy, Baboo, Sensations, More and UFO. SADAFCO operates three manufacturing facilities, two in Jeddah and one in Dammam, which are supported by a distribution network of 500 sale routes, with over 23,500 customers for non-frozen and 18,500 customers for frozen products. SADAFCO currently has a 59 per cent. market share in ultra-high temperature, or long-life, milk a 51 per cent. market share in tomato paste and a 28.8 per cent. share in ice cream, in each case in Saudi Arabia as at 30 June 2022 according to Nielsen Retail Audit. It also has a growing presence in the snacks market. SADAFCO owns a 76 per cent. effective shareholding in the Polish dairy producer, Mlekoma Group, which operates two plants that specialise in the production of powdered, condensed and fluid products as well as whole milk, cream, butter milk and fat filled powders that are exported to Europe, Africa, the Middle East and the Far East. At the close of trading on 28 September 2022, the closing price for SADAFCO's shares on the Saudi Stock Exchange was SAR 193 per share, giving it a market capitalisation of SAR 6,176 million (U.S.\$1,640 million);
- a 6.0 per cent. interest in Equate Group, which consists of (i) Equate Petrochemical Company K.S.C.C. and its subsidiaries and (ii) The Kuwait Olefins Company K.S.C.C. The Equate Group principally operates through three business lines: Ethylene Glycol, Polyethylene and Polyethylene Terephthalate. The Equate Group's Ethylene Glycol and Polyethylene business lines use ethane-based ethylene as a feedstock. The Equate Group's production facilities in Kuwait source ethane-rich gas from PIC. The Equate Group benefits from low-cost, high-quality feedstock through long-term supply agreements with its principal shareholders PIC and Dow Europe Holding B.V.;
- a 20.0 per cent. interest in KARO, which is a holding company with aromatics production facilities through its affiliates in Kuwait. The company produces Paraxylene, Benzene and Styrene;
- a 58.9 per cent. interest in NAPESCO, which is a private company offering pumping services to the Kuwait energy sector. It is a leading provider of upstream oilfield services including cementing, stimulation, coiled tubing, nitrogen, well testing, slickline and downhole service tools. It also maintains a leading position within the Gulf region as an in-house provider of environmental monitoring and analytical laboratory services, consultancy services and waste management services. At the close of trading on 28 September 2022, the closing price for NAPESCO shares on Boursa Kuwait was KD 0.750 per share giving it a market capitalisation of KD 73 million (U.S.\$234 million);
- a 60.0 per cent. interest in JTC, which has core activities that include ports management, contract logistics, equipment leasing and power rental. It operates at both Shuwaikh and Shuaiba ports in Kuwait offering single-stop turnkey services for cargo handling from ship to storage site including stevedoring, cargo handling, transportation, a reefer plugging facility and custom clearance support services. At the close of trading on 28 September 2022, the closing price for JTC's shares on Boursa Kuwait was KD 0.329 per share giving it a market capitalisation of KD 49 million (U.S.\$159 million); and
- a 38.5 per cent. interest in ATC, which is a medical equipment supplier to the Kuwait healthcare sector. ATC has established itself as a leading end-to-end total healthcare and environmental solutions provider capable of delivering over 95 per cent. of a hospital's diverse requirements. ATC

currently serves more than 1,000 customers in Kuwait, including government and private hospitals, dental practitioners, laboratories and physicians. ATC employs over 2,100 people and is headquartered at Salmiya, Kuwait. At the close of trading on 28 September 2022, the closing price for ATC's shares on Boursa Kuwait was KD 0.520 per share giving it a market capitalisation of KD 78 million (U.S.\$251 million).

Financial summary

The financial information set out below has been extracted from UIC's published audited consolidated financial statements for 2021 and unaudited financial information for the six months ended 30 June 2022.

	2020	2021	As at and for the six months ended 30 June	
			2021	2022
			<i>(KD million)</i>	
Non-current assets ⁽¹⁾	255.1	271.0	246.8	311.0
Total assets.....	257.2	277.3	254.5	314.5
Income	7.2	12.3	3.2	7.5
Profit/(loss) for the period	1.5	(8.5)	(14.8)	4.5

Note:

⁽¹⁾ Includes available for sale financial assets, associates and investment properties.

As at 31 December 2021, UIC's total assets increased by KD 20 million, or 7.8 per cent., to KD 277 million from KD 257 million as at 31 December 2020, mainly due to an increase in financial assets at fair value through other comprehensive income. As at 30 June 2022, UIC's total assets increased by KD 37 million, or 13.4 per cent., to KD 315 million from KD 277 million as at 31 December 2021, mainly due to an increase in its fair value investments through profit and loss.

In 2021, UIC's income was KD 12 million, an increase of KD 5 million, or 71.0 per cent., compared to KD 7 million in 2020. The increase was primarily due to a gain on initial recognition over cost for an associate. In the six months ended 30 June 2022, UIC's income increased by KD 4 million, or 133.7 per cent., to KD 8 million from KD 3 million in the equivalent period of 2021, mainly due to a KD 4.5 million increase in share of income from QPIC, which was offset by a reduction in income from associates due to the sale of ATC during 2021. The loss in the six months ended 30 June 2021 period was due to a one-time impairment charge of KD 15.9 million.

FINANCIAL SUMMARY OF THE GROUP

Group Consolidated Income Statement Data

The table below summarises the Group's consolidated income statements for each of 2019, 2020 and 2021 and for the six-month periods ended 30 June in each of 2021 and 2022.

	2019	2020	2021	For the six months ended 30 June	
				2021	2022
			(KD million)		
Income.....	698.2	724.0	711.1	360.9	336.8
Interest income.....	408.5	328.4	306.6	146.5	159.7
Fees and commission income.....	65.2	56.4	63.0	29.8	32.9
Hospitality and real estate income.....	120.6	101.3	88.2	45.7	42.4
Media and digital satellite network services income.....	12.6	85.5	97.5	50.1	41.5
Manufacturing and distribution income.....	24.7	9.8	7.9	4.3	4.6
Investment income.....	34.3	86.1	63.3	47.4	14.6
Educational service income.....	28.5	—	—	—	—
Share of results of associates.....	23.1	17.8	32.6	10.9	17.5
Share of results of a media joint venture ⁽¹⁾	(68.0)	(6.1)	—	—	—
Other income ⁽²⁾	48.7	44.8	52.1	26.1	23.6
Expenses.....	637.5	609.1	587.2	294.7	292.0
General and administrative expenses.....	187.4	160.9	177.5	84.5	89.7
Interest expense.....	289.4	229.1	210.1	104.8	111.4
Profit for the period from continuing operations.....	12.1	0.0	9.2	5.3	10.7
Profit from discontinued operations.....	—	2.5	2.0	2.2	—
Profit for the period.....	12.1	2.6	11.2	7.5	10.7
Profit for the period attributable to equity holders of the parent company.....	(39.4)	1.1	7.2	3.2	5.4
Profit attributable to non-controlling interest.....	51.5	1.4	4.0	4.3	5.3

Notes:

⁽¹⁾ During 2020, the Group's effective ownership in PMG increased from 60.5 per cent. to 87.6 per cent. As a result, KIPCO's management of concluded that KIPCO exercised control over the PMG and therefore accounted for PMG as a subsidiary with effect from March 2020. Consequently, the share of results in 2020 corresponds to the period before PMG became a subsidiary. See notes 2 and 3 to the 2020 Financial Statements for more details.

⁽²⁾ Comprises other income and foreign exchange gain.

Income

2020 compared to 2019

In 2020, the Group's income was KD 724 million compared to KD 698 million in 2019. The increase of KD 26 million, or 3.7 per cent., was primarily driven by:

- KD 73 million, or 577.2 per cent., higher media and digital satellite network services income in 2020 compared to 2019 which was driven by the consolidation of PMG as a subsidiary from March 2020 compared to its classification as an equity accounted joint venture before the consolidation coupled with a KD 62 million reduction in loss from a media joint venture in 2020 compared to 2019, which principally reflected the Group's proportionate share of the results of PMG whilst it was equity accounted as a joint venture in 2019 and for the first three months of 2020; and
- KD 52 million, or 151.3 per cent., higher investment income in 2020 compared to 2019 due to a one-time gain from the accounting reclassification of PMG as a subsidiary in March 2020.

The increase in income was offset principally by the Group's lower interest income which decreased by KD 80 million, or 19.6 per cent., from KD 409 million in 2019 to KD 328 million in 2020. This in turn principally reflected COVID-19-related decreases in interest income from Burgan Bank and JKB. Most other income line items were also negatively impacted in 2020 compared to 2019.

2021 compared to 2020

In 2021, the Group's income was KD 711 million compared to KD 724 million in 2020. The decrease of KD 13 million, or 1.8 per cent., was primarily driven by:

- a KD 23 million, or 26.6 per cent., decrease in investment income in 2021 compared to 2020 reflecting the one-time gain on the consolidation of PMG in March 2020 . This decrease was partially offset by a gain on the sale of a subsidiary in 2021;
- a KD 22 million, or 6.7 per cent., decrease in interest income in 2021 compared to 2020, driven by lower interest income from Burgan Bank following reductions in interest rates by the Central Bank Kuwait; and
- a KD 13 million, or 13.0 per cent., decrease in hospitality and real estate income due to lower revenue reported by URC.

The decrease in income in 2021 was partly offset by a KD 15 million, or 83.4 per cent., increase in the share of results from associates and a KD 12 million, or 14.1 per cent., increase in media and digital satellite network services income, in each case in 2021 compared to 2020. The increase in share of results from associates principally reflected an increase in the Group's share of results of GIG as well as increases in the results of associates of UGH and URC. The increase in media and digital satellite network services income principally reflected a full year of consolidation of PMG in 2020 compared to only nine months consolidation in 2020.

Six months ended 30 June 2022 compared to six months ended 30 June 2021

In the six months ended 30 June 2022, the Group's income was KD 337 million compared to KD 361 million for the equivalent period of 2021. The decrease of KD 24 million, or 6.7 per cent., was primarily driven by:

- a KD 33 million, or 69.2 per cent., decrease in investment income in the six months ended 30 June 2022 compared to the equivalent period of 2021. The decline was primarily attributable to a KD 27 million gain on the sale of a subsidiary recorded in 2021 and a drop in unrealised gains on financial assets during the six months ended 30 June 2022; and
- a KD 9 million, or 17.0 per cent., decrease in media and digital satellite network services income.

The decrease in income was partly offset by a KD 13 million, or 9.0 per cent., increase in interest income and a KD 7 million, or 60.0 per cent., increase in the share of results from associates for the six months ended 30 June 2022, in each case compared to the equivalent period of 2021. The increase in the share of results from associates was largely driven by increased profit at GIG.

The table below shows the Group's income for each of 2019, 2020 and 2021 and for the six-month periods ended 30 June in each of 2021 and 2022 by reporting segment.

	2019	2020	2021	For the six months ended 30 June	
				2021	2022
			(KD million)		
Commercial banking	538.6	417.8	442.7	215.9	226.9
Insurance	6.8	8.3	23.3	5.4	7.6
Asset management and investment banking	55.5	37.5	66.8	29.0	21.7
Media and satellite services	(55.4)	156.5	101.3	53.2	41.6
Hospitality and real estate	131.0	94.4	109.6	73.1	47.1
Industrial	38.5	17.5	12.6	7.7	11.8
Others	39.1	9.7	9.1	0.9	1.8
Inter-segmental eliminations	(56.0)	(17.6)	(54.3)	(24.3)	(21.8)
Total	698.2	724.0	711.1	360.9	336.8

Profit for the year (attributable to the equity holders of the Guarantor)

2020 compared to 2019

The Group's profit for the year (attributable to the equity holders of the Guarantor) increased from a loss of KD 39 million in 2019 to a profit of KD 1 million in 2020, mainly due to PMG being consolidated as a subsidiary in March 2020.

2021 compared to 2020

The Group's profit for the year (attributable to the equity holders of the Guarantor) increased from KD 1 million in 2020 to KD 7 million in 2021, mainly due to lower interest expense and provisions.

Six months ended 30 June 2022 compared to six months ended 30 June 2021

The Group's net profit for the six months ended 30 June 2022 (attributable to the equity holders of the Guarantor) increased from KD 3 million for the six months ended 30 June 2021 to KD 5 million in the equivalent period of 2022, mainly due to lower provisions for credit losses and impairment of investment.

The earnings of the Group's companies in the financial services sector reflect their strategy of regional expansion through acquisitions and/or establishment of green field operations. The strong deposit base, quality of assets and the prudent provisioning strategies adopted by these companies make them well positioned to capitalise on these opportunities. In the media sector, there is a high demand for services and exclusive content. The business model is such that once break-even is achieved, income growth is not accompanied by a proportionate increase in fixed costs, resulting in a relatively sharp growth in profit margins.

The table below shows the Group's consolidated profit and loss for the year by reporting segment for each of 2019, 2020 and 2021 and for the six-month periods ended 30 June in each of 2021 and 2022.

	2019	2020	2021	For the six months ended 30 June	
				2021	2022
			(KD million)		
Commercial banking	139.0	73.6	81.5	35.3	48.9
Insurance	6.8	8.3	23.3	5.4	7.6
Asset management and investment banking	(62.7)	(54.1)	(40.4)	(15.5)	(11.5)
Media and satellite services	(69.6)	(11.9)	(57.2)	(21.8)	(28.1)
Hospitality and real estate	(0.2)	(18.7)	20.2	26.9	6.8
Industrial	6.1	0.5	(15.1)	(14.9)	4.7
Others	2.7	5.2	4.8	(1.6)	(1.5)
Inter-segmental eliminations	(10.0)	(0.4)	(5.8)	(4.1)	(4.7)
Total profit for the year	12.1	2.6	11.2	9.8	22.1

Consolidated Statement of Financial Position Data

Assets

The table below summarises the Group's consolidated total assets statement of financial position data as at 31 December in each of 2019, 2020 and 2021 and as at 30 June 2022.

	As at 31 December			As at 30 June
	2019 ⁽¹⁾	2020	2021	2022
				(KD million, except for percentage data)
Total assets	10,400.3	10,351.2	10,179.8	10,563.0
Cash in hand and at banks	1,582.0	1,346.9	1,296.9	1,454.6
Loans and advances	5,184.7	4,945.5	4,791.4	4,867.5
Financial assets at fair value through profit or loss	288.6	252.2	266.9	267.7
Financial assets at fair value through other comprehensive income	322.3	391.9	420.5	367.2
Investment in associates	353.3	351.8	345.8	351.6
Goodwill and intangible assets	317.9	607.3	556.3	556.7
Return on average assets ⁽¹⁾	0.1%	0.02%	0.1%	0.2%

Note:

- ⁽¹⁾ Return on average assets is calculated as the profit for the year (the interim period profit has been annualised by multiplying it by two) divided by average total assets for the relevant period, with average total assets being calculated as the sum of total assets at the start and end of the period divided by two.

As at 31 December 2019, the consolidated total assets of the Group amounted to KD 10,400 million. The Group's principal asset classes as at 31 December 2019 were loans and advances, which accounted for 49.9

per cent. of consolidated total assets and cash in hand and at banks, which constituted 15.2 per cent. of consolidated total assets.

As at 31 December 2020, the consolidated total assets of the Group amounted to KD 10,351 million, a decrease of KD 49 million, or 0.5 per cent., compared to KD 10,400 million as at 31 December 2019. Both of the Group's principal asset classes decreased in 2020, with loans and advances declining by KD 239 million, or 4.6 per cent., and cash in hand and at banks declining by KD 235 million, or 14.9 per cent. Certain asset classes increased in 2020, with significant contributors including goodwill and intangible assets relating to subsidiaries, which increased by KD 289 million, or 91.0 per cent., and financial assets at fair value through other comprehensive income, which increased by KD 70 million, or 21.6 per cent.

As at 31 December 2021, the consolidated total assets of the Group were KD 10,180 million, a decrease of KD 171 million, or 1.7 per cent., compared to KD 10,351 million as at 31 December 2020. Both of the Group's principal asset classes decreased in 2021, with loans and advances declining by KD 154 million, or 3.1 per cent., and cash in hand and at banks declining by KD 50 million, or 3.7 per cent.

As at 30 June 2022, the consolidated total assets of the Group were KD 10,563 million, an increase of 3.8 per cent. compared to KD 10,180 million as at 31 December 2021. The increase was primarily driven by increases of KD 158 million in cash in hand and KD 76 million in loans and advances, partly offset by a decrease of KD 53 million in financial assets at fair value through other comprehensive income.

The table below shows the Group's consolidated total assets by reporting segment as at 31 December in each of 2019, 2020 and 2021 and as at 30 June 2022.

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	<i>(KD million)</i>			
Commercial banking	8,566.8	8,627.3	8,693.3	9,023.5
Asset management and investment banking	1,025.2	821.7	935.3	985.5
Insurance	82.1	84.8	119.2	116.2
Media and satellite services	203.5	455.3	404.9	406.4
Industrial	298.3	276.1	291.1	308.1
Hospitality and real estate	974.5	975.3	906.3	935.6
Others	283.8	276.4	226.2	222.1
Inter-segmental eliminations	(1,033.9)	(1,165.5)	(1,396.5)	(1,434.5)
Total	10,400.3	10,351.2	10,179.8	10,563.0

Liabilities and equity

The table below summarises the Group's consolidated total liabilities and equity as at 31 December in each of 2019, 2020 and 2021 and as at 30 June 2022.

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	<i>(KD million)</i>			
Total liabilities	9,391.0	9,457.9	9,155.7	9,550.2
Total equity	1,009.3	893.4	1,024.1	1,012.8
Equity attributable to equity holders of the Guarantor	251.2	195.9	315.5	309.4
Non-controlling interest	604.8	544.2	555.2	550.0

The Group's consolidated total liabilities increased by KD 67 million, or 0.7 per cent., from KD 9,391 million as at 31 December 2019 to KD 9,458 million as at 31 December 2020. The Group's consolidated total liabilities as at 31 December 2020 comprised deposits from customers (54.6 per cent. of total liabilities), due to banks and other financial institutions (13.4 per cent. of total liabilities), loans payable (7.9 per cent. of total liabilities), bonds (6.7 per cent. of total liabilities), medium term notes (6.4 per cent. of total liabilities) and other liabilities (11.1 per cent. of total liabilities).

The Group's equity attributable to the equity holders of KIPCO decreased by KD 55 million, or 22.0 per cent., from KD 251 million as at 31 December 2019 to KD 196 million as at 31 December 2020 mainly due to a decline in voluntary and the Group's foreign currency translation reserve.

The Group's consolidated total liabilities decreased by KD 302 million, or 3.2 per cent., to KD 9,156 million as at 31 December 2021 compared to KD 9,458 million as at 31 December 2020, primarily driven by a

decrease in medium term notes, bonds and other liabilities. The Group's consolidated total liabilities as at 31 December 2021 comprised deposits from customers (56.8 per cent. of total liabilities), due to banks and other financial institutions (13.4 per cent. of total liabilities), loans payable (10.1 per cent. of total liabilities), medium term notes (4.9 per cent. of total liabilities), bonds (4.7 per cent. of total liabilities) and other liabilities (10.1 per cent. of total liabilities).

The Group's equity attributable to the equity holders of KIPCO increased by KD 120 million, or 61.1 per cent., to KD 316 million as at 31 December 2021 from KD 196 million as at 31 December 2020, primarily due to the issue of new equity through a rights issue.

The Group's consolidated total liabilities increased by KD 395 million, or 4.3 per cent., to KD 9,550 million as at 30 June 2022 compared to KD 9,156 million as at 31 December 2021, primarily driven by increases in due to banks and other financial institutions, deposits from customers and loans payable. The Group's consolidated total liabilities as at 30 June 2022 comprised deposits from customers (55.7 per cent. of total liabilities), due to banks and other financial institutions (14.5 per cent. of total liabilities), loans payable (10.5 per cent. of total liabilities), medium term notes (4.8 per cent. of total liabilities), bonds (4.6 per cent. of total liabilities) and other liabilities (9.9 per cent. of total liabilities).

The Group's equity attributable to the equity holders of KIPCO decreased by KD 6 million, or 1.9 per cent., to KD 309 million as at 30 June 2022 from KD 316 million as at 31 December 2021.

The table below shows the Group's consolidated total liabilities by reporting segment as at 31 December in each of 2019, 2020 and 2021 and as at 30 June 2022.

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	<i>(KD million)</i>			
Commercial banking	7,584.3	7,684.0	7,679.7	8,004.0
Asset management and investment banking	1,653.3	1,577.2	1,401.9	1,431.2
Media and satellite services	64.4	297.5	312.9	345.5
Industrial	144.2	142.8	157.6	178.0
Hospitality and real estate	658.0	666.7	608.6	633.6
Others	190.8	193.1	181.4	181.6
Inter-segmental eliminations	(904.1)	(1,103.3)	(1,186.4)	(1,223.8)
Total	9,391.0	9,457.9	9,155.7	9,550.2

Additional Financial Information Relating to Kipco

KIPCO does not produce IFRS-compliant unconsolidated audited financial statements. The financial information presented in this section (which has extracted from KIPCO's unaudited unconsolidated management accounts as at, and for the three years ended, 31 December in each of 2019, 2020 and 2021 and as at, and for the six months ended, 30 June 2021 and 30 June 2022) represents the information that is incorporated into the Financial Statements. The basis of preparation of the financial information provided in this section is based on the historical cost convention.

The financial information set out below has been included to illustrate KIPCO's unconsolidated financial position in relation to the market value of its listed Principal Companies (UGH, GIG, Burgan Bank and URC), its asset coverage ratio and its cash interest coverage ratio (each calculated as described below).

Market value of KIPCO's holding in its listed Principal Companies

The table below shows the market value of KIPCO's holding in each of its listed Principal Companies as at 31 December in each of 2019, 2020, 2021 and as at 30 June 2022. The basis of preparation is the number of shares in the relevant company held directly by KIPCO multiplied by the closing price of those shares sourced from the stock exchange where the relevant company has its main listing on the date specified (or if not a trading day, the last trading day before the date specified).

	As at 31 December 2019			As at 31 December 2020			As at 31 December 2021			As at 30 June 2022		
	No. of shares owned	Closing price	Market value	No. of shares owned	Closing price	Market value	No. of shares owned	Closing price	Market value	No. of shares owned	Closing price	Market value
	(million)	(KD)	(KD million)	(million)	(KD)	(KD million)	(million)	(KD)	(KD million)	(million)	(KD)	(KD million)
UGH	199.4	0.997	198.7	220.2	1.000	220.3	141.0	0.998	140.6	141.0	1.011	142.6
GIG.....	76.2	0.660	50.3	76.2	0.807	61.5	107.8	1.070	115.4	98.3	1.030	101.3
BB	1,082.3	0.304	329.0	1,082.3	0.213	230.5	1,136.2	0.251	285.2	1,163.0	0.241	280.3
URC	577.7	0.061	35.2	577.7	0.047	27.2	577.7	0.075	43.6	577.7	0.075	43.3

As at 30 June 2022, the total market value of KIPCO's holdings in its listed Principal Companies was KD 568 million compared to KD 585 million as at 31 December 2021, a decrease of 3.0 per cent.

KIPCO's listed asset coverage ratio

The table below shows KIPCO's listed asset coverage ratio (being the ratio of the market value of the listed Principal Companies to KIPCO's total loans, medium term notes and bonds outstanding after deducting cash and cash equivalents) as at 31 December in each of 2019, 2020 and 2021 and as at 30 June 2022.

	As at 31 December			As at 30 June
	2019	2020	2021	2022
	(KD million)			
Loans payable	—	—	—	20.0
Medium term notes	602.3	451.7	451.0	457.5
Bonds	198.5	198.8	199.1	199.3
Total debt.....	800.8	650.5	650.1	676.8
Less: cash and cash equivalents	393.5	189.0	123.7	111.5
Net debt ^(A)	407.3	461.5	526.4	565.3
Market value of listed Principal Companies ^(B)	613.3	539.4	584.8	567.5
Listed asset coverage ratio ^{(B) / (A)}	1.5	1.2	1.1	1.0

KIPCO's cash interest coverage ratio

The following table sets out KIPCO's cash interest coverage ratio being its total cash income divided by its net interest payments, with total cash income comprising KIPCO's share of dividends received and its other operating cash income and net interest payments comprising KIPCO's interest paid less its interest received) for the years ended 31 December in each of 2019, 2020 and 2021 and for the six months ended 30 June 2022.

	2019	2020	2021	For the six months ended 30 June	
				2021	2022
	(KD million)				
Share of dividends received ⁽¹⁾	25.0	22.1	13.1	5.4	9.5
Other operating cash income	—	0.3	33.7	28.0	0.0
Total cash income^(A)	25.0	22.3	46.8	33.4	9.5
Interest paid.....	46.2	52.9	35.6	18.5	15.8
Interest received	2.6	3.2	0.9	1.5	0.3
Net interest payments ^(B)	43.6	49.7	34.6	17.0	15.5
Cash interest coverage ratio ^{(A) / (B)}	0.57	0.45	1.35	1.96	0.61

Note:

⁽¹⁾ Dividends received in the current year pertain to dividends declared for the previous year based on the number of shares held at the date of record of the annual general meeting of the shareholders.

The primary sources of KIPCO's cash income are its dividends received from the Principal Companies, gains from the sale of interests in subsidiaries and associates, gains from the sale of financial assets held at fair value through profit or loss or through other comprehensive income and fee income.

KIPCO's majority or significant holding in each of its Principal Companies and its influence over the board of directors and management allows it to set or influence dividend policies in the main companies in which it has invested. Subject to legal and regulatory requirements, KIPCO's influence is sufficient to ensure that dividend payout policies continue at a level similar to the historical level of payout, although this has not been the case recently in respect of the banks that KIPCO controls, principally due to the impact of COVID-19. KIPCO's blended cash dividend payout ratios (being the aggregated proposed dividends of listed Principal Companies divided by the aggregated net income of the listed Principal Companies) in 2019 was 41.1 per cent., in 2020 was 102.8 per cent. and in 2021 was 51.9 per cent. (excluding bonus shares).

KIPCO also regularly sells securities that it owns (including from time to time shares in its subsidiaries, associates and joint venture companies). This has resulted in sizeable income and cash inflows in the past. The combination of dividend and other distributions and proceeds from sales of securities has historically provided KIPCO with sufficient liquidity to service its debt and fund its operating expenses.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following Pro forma financial information and related notes illustrate the effect of the Merger on the statement of financial position and income statement.

The Pro forma financial information has been prepared using figures extracted from (i) the Interim Financial Information (in the case of KIPCO) and (ii) the QPIC Financial Information (in the case of QPIC), in both cases prepared on the basis of IFRS.

The Pro forma financial information consists of (i) an unaudited Pro Forma Condensed Consolidated Statement of Financial Position of the Merged Group as at 30 June 2022, as if the merger had taken place as at 30 June 2022, (ii) a Pro forma Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Merged Group for the six-month period ended 30 June 2022 and (iii) Notes to the Pro forma financial information.

The purpose of the Pro forma financial information is to show the material effects that the Merger would have had on the historical consolidated statement of financial position if the Merged Group had already existed as at 30 June 2022 and on the historical consolidated statement of profit or loss and other comprehensive income for the six-month period ended 30 June 2022. It is not representative of the financial situation and performance that could have been observed if the indicated business combination had been undertaken at an earlier date.

The presentation of the Pro forma financial information of the Merged Group is based on certain pro forma assumptions and has been prepared for illustrative purposes only and, because of its nature, the Pro forma financial information addresses a hypothetical situation and, therefore, does not represent KIPCO's actual consolidated financial position and actual consolidated financial performance and may not give a true picture of the financial position and financial performance of the Merged Group. Furthermore, the Pro forma financial information is only meaningful in conjunction with the historical consolidated financial statements of KIPCO and QPIC.

The Pro forma financial information has been compiled based on the accounting policies of KIPCO being the accounting acquirer. Those accounting policies are disclosed in the 2021 Financial Statements and the Interim Financial Information. The principles of compilation of the Pro forma financial information and the assumptions used are explained in the Notes below.

The Pro forma financial information does not take into consideration the effects of expected synergies or costs incurred to achieve these synergies as a result of the Merger. The Pro forma financial information gives no indication of the results and future financial situation of the activities of the Merged Group.

Under IFRS 3, Business Combinations, the Group expects to account for the merger as an acquisition by KIPCO of QPIC and KIPCO is required to fair value the assets, liabilities and contingent liabilities acquired at the date of acquisition and to reflect the difference between their fair value and the purchase consideration as goodwill or gain on acquisition. This fair value exercise (purchase price allocation) has not been completed as at the date of this document and may result in different values being attributed to the assets, liabilities and contingent liabilities acquired than those that are shown in the Pro forma financial information.

Pro Forma Condensed Consolidated Statement of Financial Position

The table below shows the unaudited pro forma condensed consolidated statement of financial position of the Merged Group as at 30 June 2022.

	KIPCO	QPIC	Pro forma adjustments	Notes⁽¹⁾	Pro forma consolidated
	<i>(KD thousand)</i>				<i>(KD thousand)</i>
Cash in hand and at banks	1,454,587	88,981			1,543,568
Treasury bills and bonds.....	749,734				749,734
Loans and advances.....	4,867,540				4,867,540
Trade and other receivables.....		52,623			52,623
Inventories.....		42,084			42,084
Financial assets at fair value through profit or loss	267,704	1,406			269,110

Financial assets at fair value through other comprehensive income.....	367,150	204,851		572,001
Other assets	960,754			960,754
Properties held for trading	94,043			94,043
Investment in associates and joint ventures	351,604	119,321	(165,711) 1	305,214
Investment properties	508,294			508,294
Property, plant and equipment.....	384,859	159,621		544,480
Goodwill and intangible assets	556,690	128,171		684,861
Right of use assets		7,444		7,444
Total assets	10,562,959	804,502	(165,711)	11,201,750
Due to banks and other financial institutions...	1,389,209			1,389,209
Trade and other payables.....		100,040		100,040
Deposits from customers	5,318,321			5,318,321
Loans payable	1,000,821	64,885		1,065,706
Bonds	435,984			435,984
Medium term notes	456,604			456,604
Lease liabilities		7,534		7,535
Other liabilities.....	949,260	18,132		967,392
Non-controlling interest put option	—	3,988		3,988
Total liabilities	9,550,919	194,579		9,744,778
Equity attributable to equity holders of the parent company	309,415	436,071	(165,711) 1	579,775
Perpetual capital securities	153,332			153,332
Non-controlling interest	550,013	173,852		723,865
Total equity	1,012,760	609,923	(165,711)	1,456,972
Total liabilities and equity	10,562,959	804,502	(165,711)	11,201,750

Note:

⁽¹⁾ See the Pro forma adjustments below.

Pro Forma Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The table below shows the unaudited pro forma condensed consolidated statement of profit or loss and other comprehensive income of the Merged Group for the six-month period ended 30 June 2022.

	KIPCO	QPIC	Pro forma adjustments	Notes ⁽¹⁾	Pro forma consolidated
	(KD thousand)				(KD thousand)
Income	336,795	163,523	(7,139)		493,179
Interest income	159,656	1,109			160,765
Investment income	14,595	24,333			38,928
Fees and commission income	32,949				32,949
Share of results of associates and joint ventures	17,488	1,007	(7,139)	2	11,356
Media & digital satellite network services income	41,541				41,541
Hospitality and real estate income	42,368				42,368
Manufacturing and distribution income	4,616				4,616
Other income	17,437				17,437
Foreign exchange gain	6,145	(11)			6,134
Revenue from rendering of services		27,404			27,404
Revenue from sale of goods		109,681			109,681
Expenses	291,976	129,087	-		421,063
Cost of revenue from rendering of services		20,365			20,365
Cost of revenue from sale of goods		76,907			76,907
Interest expenses	111,400	3,547			114,947
Media & digital satellite network services expense	45,249				45,249
Hospitality and real estate expenses	27,547				27,547
Manufacturing and distribution expenses	3,708				3,708
General and administrative expenses	89,714	14,684			104,398
Selling and distribution expenses		13,584			13,584
Depreciation and amortisation	14,358				14,358
Operating profit before taxation and Directors' remuneration	44,819	34,436	(7,139)		72,116
Provision for credit losses	(11,675)				(11,675)
Net monetary loss	(11,054)				(11,054)
Provision for impairment of non-financial assets		(2,331)			(2,331)
Board of Directors' remuneration		(75)			(75)
Profit before taxation	22,090	32,030	(7,139)		46,982
Taxation	(11,423)	(733)			(12,156)
Profit for the year	10,667	31,298	(7,139)		34,826
Attributable to:					
Equity holders of the parent company	5,374	23,958	(7,139)		22,193
Non-controlling interest	5,293	7,340			12,633

Note:

⁽¹⁾ See the Pro forma adjustments below.

Basis of Pro Forma Financial Information Presentation

The Group has adopted the acquisition method of accounting under IFRS 3, Business Combinations. IFRS 3 requires that an acquirer be identified in any business combination and acquisition accounting principles be applied. For the purposes of this Pro forma financial information, KIPCO has been identified as the acquirer. The merger is a non-cash transaction for KIPCO and the share swap ratio has been set at 2.24 KIPCO shares for every QPIC share.

The consolidated statement of financial position of KIPCO and QPIC at 30 June 2022 has been extracted from the Interim Financial Information (in the case of KIPCO) and the QPIC Financial Information (in the case of QPIC).

The consolidated statements of profit or loss of KIPCO for the six-month period ended 30 June 2022 has been extracted from the Interim Financial Information. The consolidated statement of profit or loss of QPIC for the six-month period ended 30 June 2022 has been compiled from the QPIC Financial Information.

The Pro forma financial information has been prepared and is presented on the basis of the accounting policies of KIPCO as disclosed in the 2021 Financial Statements and the Interim Financial Information. The accounting policies used by KIPCO as described in the 2021 Financial Statements and the Interim Financial Information do not materially differ from those used by QPIC.

The pro forma adjustments made for purposes of the Pro forma financial information are based on information available and on preliminary estimates, as well as certain pro forma assumptions of the Merged Group as described below. The Pro forma financial information does not contain any potential synergies,

cost savings, normalisation adjustments or additional future expenses that could result from the Merger. Furthermore, the Pro forma financial information does not contain any potential or future effects resulting from any possible remedies imposed on the Merged Group by authorities or regulators in connection with the Merger. The Pro forma financial information has not been adjusted for acquisition-related costs.

Pro Forma Adjustments

The pro forma adjustments included in the Pro forma financial information are as follows:

1. KIPCO's investment in QPIC through UIC has been eliminated from the corresponding accounts under statements of financial position (assets and liabilities):

<i>(KD'000)</i>	<u>Adjustments</u>
Cost as at 30 June 2022	165,711
Accounting Entry	
Equity attributable to equity holders of parent	165,711
Investment in associates	165,711

2. KIPCO's share of income from QPIC has been eliminated from the statements of profit or loss:

<i>(KD'000)</i>	<u>Adjustments</u>
Share of income from QPIC for the six months ended 30 June 2022	7,139
Accounting Entry	
Share of results of associates and joint venture	(7,139)
Investment in associates ⁽¹⁾	7,139

Note:

- ⁽¹⁾ This is already included in 30 June 2022, which has been eliminated in totality, thus not shown separately.

Other Additional Pro Forma Financial Information relating to KIPCO

Market value of QPIC's holdings in its listed subsidiaries and associates

The table below shows the market value of QPIC's holdings in each of its listed subsidiaries and associates as at 30 June 2022. The basis of preparation is the number of shares in the relevant company held directly by QPIC multiplied by the closing price of those shares sourced from the stock exchange where the relevant company has its main listing on the date specified (or if not a trading day, the last trading day before the date specified).

	As at 30 June 2022		
	No. of shares owned	Closing price	Market/carrying value
	<i>(million)</i>	<i>(KD)</i>	<i>(KD million)</i>
SADAFCO	13.0	13.345	174.0
NAPESCO	51.4	0.730	37.5
JTC	90.0	0.325	29.2
ATC ¹	56.4	0.509	21.8
Total value			269.4

¹ ATC is an associate of QPIC.

Pro forma listed asset coverage ratio

The table below shows the pro-forma listed asset coverage ratio (being the ratio of the market value of the listed Principal Companies of KIPCO and the market value of listed subsidiaries of QPIC to total loans,

medium term notes and bonds outstanding after deducting cash and cash equivalents of KIPCO and QPIC as at 30 June 2022):

	KIPCO As at 30 June 2022	QPIC As at 30 June 2022	Pro-forma As at 30 June 2022
		(KD million)	
Loans payable	20.0	56.2	76.2
Medium term notes	457.5	—	457.5
Bonds	199.3	—	199.3
Total debt	676.8	56.2	733.0
Less: cash and cash equivalents	111.5	3.4	114.9
Net debt ^(A)	565.3	52.8	618.1
Market Value ^{(1) (B)}	567.5	269.4	836.9
Listed asset coverage ratio ^{(B) / (A)}			1.4

Note:

- ⁽¹⁾ Represents the number of shares in the relevant company held directly by KIPCO or QPIC multiplied by the closing price of those shares sourced from the stock exchange where the relevant company has its main listing on the date specified (or if not a trading day, the last trading day before the date specified).

Pro forma cash interest coverage ratio

The table below shows the pro-forma cash interest coverage ratio as at 30 June 2022.

	KIPCO For the six months ended 30 June 2022	QPIC For the six months ended 30 June 2022	Pro-forma For the six months ended 30 June 2022
		(KD million)	
Share of dividends received	9.5	34.4	43.9
Other operating cash income	0.01	—	0.01
Total cash income ^(A)	9.5	34.4	43.9
Interest paid	15.8	0.6	16.4
Interest received	0.3	0.0	0.3
Net interest payments ^(B)	15.5	0.6	16.1
Cash interest coverage ratio ^{(A) / (B)}			2.73

MANAGEMENT

Board of Directors

Pursuant to its Articles of Association, KIPCO's Board of Directors consists of five directors. KIPCO's Articles of Association provide that each director is elected at an ordinary general meeting of shareholders for a three-year term and is eligible for re-election upon the expiration of such term. The Board of Directors has the power to appoint and remove the Chairman and Chief Executive Officer ("CEO") at any time provided there is a quorum of three directors.

The members of the Board of Directors are set out below. Each Director was re-elected for a term of three years at the Annual General meeting on 17 June 2020. Subsequently, Sheikha Adana Nasser Sabah Al-Ahmad Al-Sabah was elected to Board of Directors on 9 December 2020. Each Director's business address is P.O. Box 23982, Safat 13100, State of Kuwait.

Sheikh Hamad Sabah Al Ahmad Al Sabah (Chairman, age 74)

Sheikh Hamad Sabah Al Ahmad Al Sabah studied in Kuwait, Lebanon and the United States. He has dedicated his time and effort to developing KIPCO and making it one of the largest groups in the GCC, with investments in many sectors including banking, media, insurance, real estate, industry and education. He founded the Masharea Al Khair Charity Organization to which Group companies make contributions, and which supports projects in Kuwait of a medical and social nature, especially people with special needs.

His other Board positions are:

- Chairman of SADAFCO;
- Chairman of Gulf Egypt Hotels and Tourism Company, Egypt; and
- Chairman of Mashare'a Al-Khair Est., Kuwait.

Faisal Hamad Al-Ayyar (Vice Chairman and non-executive director, age 67)

Mr. Al Ayyar began his career as a fighter pilot with the Kuwait Air Force. He joined KIPCO in 1990. He has had a leading role in the creation and development of PMG, the region's largest pay TV company, the development of SADAFCO, a leading dairy and foodstuff producer in Saudi Arabia, and the expansion and subsequent sale of Wataniya Telecom, a major regional mobile operator.

He received the Arab Bankers Association of North America's 2005 Achievement Award, the Tunis Arab Economic Forum and the Beirut Arab Economic Forum 2007 Achievement Awards and the Kuwait Economic Forum 2009 Award for his contribution to the investment sector and successes in the global financial market. Mr Al Ayyar was recognised by Kuwait's Al Anba newspaper as the leading business and investment personality for 2018.

His other Board positions are:

- Chairman of PPMG;
- Vice Chairman of SADAFCO;
- Vice Chairman of GIG;
- Vice Chairman of UGB;
- Vice Chairman of UGHC;
- Vice Chairman of JKB;
- Vice Chairman of Mashare'a Al-Khair Est., Kuwait;
- Board member of Gulf Egypt Hotels and Tourism Company, Egypt;

- Member of the Board of Trustees of American University of Kuwait; and
- Honorary Chairman of Kuwait Association for Learning Differences (KALD).

Abdullah Yacoub Bishara (Independent Director, age 87)

Mr. Abdullah Yacoub Bishara graduated from Cairo University's College of Arts in 1959 and studied at Oxford University between 1961 and 1962. He studied diplomacy and foreign relations in the United States and received his master's degree in Political Sciences in 1973. He joined the Kuwaiti diplomatic corps in 1960. He was Director of the Foreign Minister's Office during 1964-1971. He was Kuwait's Ambassador to the United Nations during 1971-1981. He was President of the Security Council for the month of February 1979. He was Secretary General of the Gulf Cooperation Council during 1981-1993.

His other Board positions are:

- Member of GCC Supreme Advisory Assembly;
- Board member of SADAFCO;
- President of the Diplomatic Centre for Strategic Studies, Kuwait.

Sheikha Adana Nasser Sabah Al-Ahmad Al-Sabah (Executive Director and Group CEO, age 51)

Sheikha Adana Nasser Sabah Al-Ahmad Al-Sabah graduated from Kuwait University with a BA in English Literature. She also holds an Honorary Doctorate in Human Letters from Dartmouth University, USA, and studied at Indiana University in Bloomington, USA. She was appointed KIPCO's Group CEO in January 2022.

Her other Board positions are:

- Chair of the Board of Trustees of the American University of Kuwait;
- Chair of United Education Company K.S.C.C.;
- Board member of Kamco Invest;
- Chair of PMG; and
- Board member of GIG.

Sheikh Abdullah Nasser Sabah Al-Ahmed Al-Sabah (Non-executive Director, age 46)

Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah is a graduate of the Royal Military Academy, UK. He holds a bachelor's degree in Business Administration from the New York Institute of Technology, USA.

His other Board positions are:

- Chairman of Burgan Bank;
- Vice-Chairman of Kamco Invest;
- Vice-Chairman of Al Daiya United Real Estate Company, Kuwait; and
- Board member of UGB.

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

Family relationships among the members of the Board of Directors are as follows:

- Sheikh Hamad Sabah Al-Ahmad Al-Sabah (Chairman) is the uncle (father's brother) of Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah (Director) and Sheikha Adana Nasser Sabah Al-Ahmad Al-Sabah (Director).

- Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah (Director) and Sheikha Adana Nasser Sabah Al-Ahmad Al-Sabah (Director) are siblings.

Executive Management

The table below shows certain information with respect to KIPCO's Executive Management. The business address of each member of Executive Management is P.O. Box 23982, Safat 13100, State of Kuwait.

Name	Age	Position	Years with the Group
Sheikha Adana Nasser Sabah Al-Ahmad Al-Sabah	51	Group Chief Executive Officer	1
Samer Subhi Khanachet	71	Deputy Group Chief Executive Officer	32
Sunny Bhatia	58	Group Chief Financial Officer	See note (1)
Joe Kawkabani	43	Group Chief Investment Officer	3
		Group Chief Human Resources and	
Khaled Abdul Jabbar Al Sharrad	58	Administration Officer, Board Secretary	26
Moustapha Samir Chami	41	Deputy Group Chief Financial Officer	13
Eric Schumacher	58	Group Treasurer	3
Anuj Rohtagi	42	Group Senior Vice President – Financial Control	17
		Group Senior Vice President – Corporate	
Eman Mohammad Al Awadhi	44	Communications & Investor Relations	12
Riyad Mohammed Hanbali	57	Group Vice President – Internal Audit	18

Note:

(1) Joined as Group Chief Financial Officer in April 2022.

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

Sheikha Adana Nasser Sabah Al-Ahmad Al-Sabah – Executive Director and Group CEO

See "– Board of Directors" above.

Samer Subhi Khanachet – Deputy Group Chief Executive Officer

Mr. Khanachet joined KIPCO as General Manager in 1990. He moved to the United States in 1991 to head United Gulf Management, KIPCO's US subsidiary, and identify strategic resources to support KIPCO's activities in financial services, media and other sectors across the MENA region. Prior to being appointed KIPCO's Deputy Group Chief Executive Officer in 2022, he held the position of Group Chief Operating Officer since 2008. He is a Board member of UGB. He holds board and committee positions with the American University of Kuwait and the Massachusetts Institute of Technology. He holds two BSc degrees from MIT and an MBA from Harvard University.

Sunny Bhatia – Group Chief Financial Officer

Mr. Bhatia joined KIPCO in 2022, coming from NBK Capital where he served as chief financial officer. With over 30 years of experience across different financial services, Mr. Bhatia held leadership positions in Global Investment House and National Bank of Bahrain. He also worked with KPMG, Siemens and PricewaterhouseCoopers in various capacities. He holds a Bachelor of Commerce from Delhi University and is a Chartered Accountant and Cost and Management Accountant.

Joe Kawkabani – Group Chief Investment Officer

Mr. Kawkabani joined KIPCO in 2018 to lead strategic initiatives and was appointed Chief Investment Officer in 2022. With around 20 years of experience in structuring and managing investments and ventures in frontier markets, Mr. Kawkabani's role involves setting and executing KIPCO's investment strategy, as well as overseeing value creation and transformation programmes across the Group. Prior to joining KIPCO, he set up and served as the chief executive officer of CPC Africa. He has held several positions in leading regional and international organisations including chief investment officer-MENA equities at Franklin Templeton, co-founder and managing director at Algebra Capital, and head of equity asset management at SHUAA Capital. He holds a Bachelor's degree in Business Administration from Saint Joseph University in Beirut.

Khaled Abdul Jabbar Al Sharrad – Group Chief Human Resources & Administration Officer, Board Secretary

Mr. Al Sharrad joined KIPCO as the Group Chief HR and Admin Officer in 1995. He plays multiple strategic roles for the Group in the capacity of KIPCO's Secretary of the Board, in addition to his participation as chair or member in several committees. He is Chairman of IKARUS United Marine Services Company, Board Director in Kuwait Furniture Manufacturing & Trading Company (KUFUMA) and Kuwait Association for Learning Differences (KALD). He is a well-rounded leader with close to 31 years of proven organisational development and advisory experience covering areas such as strategic planning, corporate governance, organisation design, talent management and business improvement. He holds a BA degree from St. Edwards University in Texas and is a certified professional in personnel management.

Moustapha Samir Chami – Deputy Group Chief Financial Officer

Mr. Chami joined KIPCO in 2009 and held several positions in the Finance & Accounts Department. He was appointed Deputy Group CFO in 2022. Mr. Chami leads the Group's financial operations and planning, including governance and risk management. He is the Secretary of the Board Risk Committee and acts as a financial advisor to several Group companies. Mr. Chami holds a bachelor's degree in finance and an MBA from the University of Saint Joseph in Lebanon. He is also a Certified Financial Analyst (CFA), Certified Public Accountant (CPA) and a Certified Management Accountant (CMA).

Eric Schumacher – Group Treasurer

Mr. Schumacher joined KIPCO in 2019. With close to 30 years of experience in corporate and investment banking, he has a proven track record of managing regional and global commercial banking businesses. Prior to joining KIPCO, Mr. Schumacher held leading positions in Citibank and HSBC, and has been based between Riyadh, Abu Dhabi and Kuwait in the last decade. He holds a Bachelor of Commerce and an MBA from Concordia University in Canada. He is also a Chartered Financial Analyst.

Anuj Rohtagi – Group Senior Vice President – Financial Control

Mr. Rohtagi joined KIPCO Group in 2005 as a consultant at its India subsidiary, PKC Advisory, and moved to KIPCO Financial Control in 2007. With 20 years of experience, he leads the Group planning and performance monitoring function along with debt capital markets activities. He is a member of the Institute of Chartered Accountants, India, and the Association of Corporate Treasurers, UK. He holds a graduate degree from Delhi University and completed a post graduate programme in Data Science & Business Analytics from the University of Texas at Austin.

Eman Mohammad Al Awadhi – Group Senior Vice President – Corporate Communications & Investor Relations

Ms. Al Awadhi joined KIPCO in 2010. She is responsible for coordinating the Group's overall communications strategy and for KIPCO's corporate communications, media relations, branding and marketing activities. She also manages communication between the KIPCO's management and its investors. Ms. Al Awadhi has an extensive career in public relations, media and journalism. She was previously a member of the 'Newsweek Arabic' production team and the foreign correspondent at Kuwait News Agency, Kuwait's official news wire. She holds a BA in English Literature from the University of Bahrain and is a Certified Investor Relations Officer (CIRO).

Riyad Mohammed Hanbali – Group Vice President – Internal Audit

Mr. Hanbali joined KIPCO's Internal Audit Department in 2004 and was appointed Group Vice President in 2022. Mr. Hanbali oversees the internal audit functions throughout the Group, including the development of strategic audit plans and performing quality reviews, as well as advising management and audit committees. He has close to 30 years of experience in public accounting and internal audit. Prior to joining KIPCO, he held managerial positions at Andersen and Ernst & Young. Mr Hanbali holds a Bachelor's degree in Accounting from Kuwait University and a Master's degree in Accounting from California State University, Sacramento. He is also a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), Chartered Global Management Accountant (GGMA) and a Certified Islamic Professional Accountant (CIPA).

TAXATION

The following is a general description of certain United Arab Emirates, Dubai International Financial Centre, Kuwaiti and other tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.

United Arab Emirates (excluding the Dubai International Financial Centre)

The following is a general summary of the current tax law and practice in the UAE ("UAE Law") and does not constitute legal or tax advice. Prospective investors in the Notes are advised to consult their own tax advisers with respect to the tax consequences under the tax laws of the country in which they are resident, of the purchase ownership or disposition of the Notes or any interest therein.

There are currently no withholding taxes required to be levied under UAE, Abu Dhabi or Dubai law in respect of payments on debt securities (including in relation to the Notes). Further to the announcement of a corporate income tax ("CIT") on 31 January 2022, the UAE Ministry of Finance announced the introduction of a corporate income tax on business profits, which will come into effect on 1 June 2023. The UAE Ministry of Finance has also announced that no withholding will apply in relation to this tax. Further details regarding the CIT are expected to be published by the UAE Ministry of Finance in due course.

The Constitution of the United Arab Emirates specifically reserves to the Federal Government of the United Arab Emirates the right to raise taxes on a federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future.

If any such withholding or deduction is required to be made in respect of payments due by: (i) the Guarantor under the documents to which it is a party; or (ii) the Issuer under the Notes, the Guarantor has undertaken in the documents to which it is a party to make gross-up payments to compensate for any such withholding subject to certain limitations, as described in Condition 11 (*Taxation*).

Dubai International Financial Centre

Pursuant to Article 14 of Law No. (9) of 2004 in respect of the Dubai International Financial Centre (the "**DIFC Law**"), entities licenced, registered or otherwise authorised to carry on financial services in the Dubai International Financial Centre and their employees shall be subject to a zero rate of tax for a period of 50 years from 13 September 2004. This zero rate of tax applies to income, corporation and capital gains tax. In addition, this zero rate of tax will also extend to repatriation of capital and to transfers of assets or profits or salaries to any party outside the Dubai International Financial Centre. Article 14 of the DIFC Law also provides that it is possible to renew the 50-year period to a similar period upon issuance of a resolution by the Ruler of the Emirate of Dubai. As a result no payments by the Issuer under the Notes are subject to any Dubai International Financial Centre tax, whether by withholding or otherwise.

If any such withholding or deduction is required to be made in respect of payments due by: (i) the Guarantor under the documents to which it is a party; or (ii) the Issuer under the Notes, the Guarantor has undertaken in the documents to which it is a party to make gross-up payments to compensate for any such withholding subject to certain limitations, as described in Condition 11 (*Taxation*).

Kuwait

*This summary of taxation in Kuwait is based on the Kuwait Income Tax Decree No. 3 of 1955 (the "**Decree**"), as amended by Law No. 2 of 2008 "Amending Certain Provisions of Kuwait Income Tax Decree No. 3 of 1955" (the "**Amendment**"), the Executive Bylaws of the Amendment (the "**Regulations**"), and various ministerial resolutions and circulars relating thereto issued by the Ministry of Finance (the "**MOF**"), Article 150 (bis) of Law No. 7 of 2010 Concerning the Establishment of the Capital Markets Authority and the Regulation of Securities Activities (which was introduced pursuant to Law No. 22 of 2015 ("Article 150 (bis)")) and Ministry of Finance Administrative Order No. 2028 of 2015 (the "**Administrative Resolution**") (together, the "**Taxation Laws**") as interpreted and implemented by the MOF's Department of Income Tax*

(the "**DIT**") as at the date of this Offering Circular). Any subsequent changes in either the Taxation Laws or the interpretation or implementation of the same by the DIT may alter and affect this summary.

Income tax

Under the Taxation Laws, income tax (at a flat rate of 15 per cent.) is levied on, *inter alia*, the net income and capital gains realised by any corporate entity (interpreted by the DIT to mean any form of company or partnership), wherever incorporated, that conducts business in Kuwait. However, the DIT to date has granted a concession to such corporate entities incorporated in Kuwait or in any other GCC country (being referred to in this Offering Circular as "**GCC corporate entities**") and has only imposed income tax on corporate entities which are not GCC corporate entities (being referred to in this Offering Circular as "**non-GCC corporate entities**") which, for the avoidance of doubt, includes shareholders of GCC corporate entities which are themselves non-GCC corporate entities, in each case, conducting business in Kuwait.

Article 150 (bis) and the Administrative Resolution provides that returns from bonds and other similar securities (which would include income generated from the holding of the Notes), regardless of the nature of the issuer, is exempt from Kuwait tax and this should also apply to non-GCC corporate entities.

However, see "*Risk Factors – The application and enforcement of the Kuwait income tax regime is uncertain, and Noteholders which are "non-GCC corporate entities" may become subject to the Kuwaiti income tax regime in certain limited circumstances*".

Individuals are not subject to any Kuwaiti income tax on their income or capital gains.

Retention

Under the Regulations, a Kuwaiti-based party making a payment (being referred to in this section as the **payer**) to any other party (being referred to in this section as the "**payee**"), wherever incorporated, is obliged to deduct five per cent. of the amount of each such payment until such time as the DIT issues a tax clearance certificate approving the release of such amount. The payer is not required to transfer the deducted amount to the DIT immediately, but instead retains such amount and releases it either: (i) to the payee upon presentation to the payer by such payee of a tax clearance certificate from the DIT confirming that the payee is not subject to or is exempt from income tax, or has realised a loss, or has paid or guaranteed the payment of its income tax; or (ii) in the absence of such a tax clearance certificate, to the DIT, on demand.

According to a literal interpretation of the Regulations, payments which are subject to a deduction as described above would include principal and interest payments. Accordingly, a payer (such as the Guarantor) would be required to deduct five per cent. from every payment made by it to a payee (such as the Issuer and the holders of the Notes (if there was a call on the Guarantee of Notes)), which amount would be released by the payer upon presentation to it by the payee of a tax clearance certificate from the DIT.

Neither Article 150 (bis) nor the Administrative Resolution endorsing the provisions thereof, address the issue of whether or not there remains an obligation to make a deduction as specified above.

In the event of any such deduction, the Trust Deed provides that the Guarantor will pay such additional amounts in order that the net amounts received by the Holders shall equal the amount which would have been receivable in the absence of such deduction.

Other taxes

Save as described above, all payments in respect of the Notes and the Trust Deed may be made without withholding, deduction or retention for, or on account of, present taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of Kuwait.

No stamp, registration or similar duties or taxes will be payable in Kuwait by holders of Notes in connection with the issue or any transfer of the Notes.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or

related requirements. The issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of the Issuer) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under "Terms and Conditions of the Notes—Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, HSBC Bank plc, J.P. Morgan Securities plc, Kamco Investment Company K.S.C.P., Mashreqbank psc and Standard Chartered Bank (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in an amended and restated Dealer Agreement dated 4 October 2022 (the "**Dealer Agreement**") and made between the Issuer, the Guarantor and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement provides for the resignation, or termination of appointment, of existing Dealers, and for the appointment of additional or other Dealers, either generally in respect of the Programme, or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Pricing Supplement or neither if TEFRA is specified as not applicable in the relevant Pricing Supplement.*

Each Dealer has acknowledged that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. 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 U.S. Treasury regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the relevant Pricing Supplement in respect of any Notes specifies "*Prohibition of Sales to EEA Retail Investors*" as "*Not Applicable*", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;
 - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in EU Prospectus Regulation; and

- (b) the expression an **"offer"** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the relevant Pricing Supplement in respect of any Notes specifies "*Prohibition of Sales to EEA Retail Investors*" as "*Not Applicable*" in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (i) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
- (ii) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an **"offer of Notes to the public"** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the relevant Pricing Supplement in respect of any Notes specifies "*Prohibition of Sales to UK Retail Investors*" as "*Not Applicable*", each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the relevant Pricing Supplement to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression **"retail investor"** means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA;
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in the UK Prospectus Regulation; and
- (b) the expression an **"offer"** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the relevant Pricing Supplement in respect of any Notes specifies "*Prohibition of Sales to UK Retail Investors*" as "*Not Applicable*", each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the

by the relevant Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (i) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (ii) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iii) *Other exempt offers*: at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes 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.

Other UK Regulatory Restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, to the Issuer, the Guarantor and each other Dealer (if any) that:

- (a) ***No deposit-taking***: in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) ***Financial promotion***: 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 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
- (c) ***General compliance***: 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.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the 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 securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more (excluding that person's principal place of residence);
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

State of Kuwait

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree the following:

No Notes have been licenced for offering in the State of Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of Notes have not been and will not be offered, sold, promoted or advertised by it in the State of Kuwait other than in compliance with Law No. 7 of 2010 and the bylaws thereto (each as amended), together with the various resolutions, regulations, directives and instructions issued pursuant thereto or in connection therewith (regardless of nomenclature), or any other applicable law or regulation in the State of Kuwait, in respect of the offering, marketing and/or sale of securities. No private or public offering of Notes is being made in the State of Kuwait, and no agreement relating to the sale of Notes will be concluded in the State of Kuwait. No marketing or solicitation or inducement activities are being used to offer or market Notes in the State of Kuwait.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under Article 8 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority (the "**CMA**") resolution number 3-123-2017 dated 27 December 2017, as amended by CMA resolution number 1-94-2022 dated 22 August 2022 (the "**KSA Regulations**"), made through a capital market institution licensed to carry out arranging activities by the CMA (and following notification to the CMA under Article 10 of the KSA Regulations).

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of

Notes made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Notes shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

State of Qatar (including the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, delivered or sold, and will not offer, deliver or sell at any time, directly or indirectly, any Notes in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre).

This Offering Circular: (i) has not been, and will not be, filed, reviewed, registered with or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange, or the Qatar Financial Centre Regulatory Authority and may not be publicly distributed in the State of Qatar (including the Qatar Financial Centre); (ii) is intended for the specific recipient only and must not be provided to any other person; and (iii) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

People's Republic of China

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macau Special Administrative Region of the People's Republic of China and Taiwan) as part of the initial distribution of the Notes.

Hong Kong

In relation to each Tranche of Notes to be issued by the Issuer under the Programme, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO")) other than: (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, in each case, and will not issue or have in its possession for the purposes of issue, in each case, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to any Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to any Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription

or purchase, and has not circulated or distributed nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA; (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

General

Each Dealer has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Guarantor, the Trustee and any other Dealer shall have any responsibility therefor.

None of the Issuer, the Guarantor, the Trustee and any of the Dealers have represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

The Dealer Agreement provides that the Dealers 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 Dealers 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 will be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this Offering Circular.

GENERAL INFORMATION

Listing

Application has been made to the London Stock Exchange for the Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the ISM. The ISM is not a regulated market for the purposes of MiFID II or a UK regulated market for the purposes of UK MiFIR. The ISM is a market designated for professional investors.

Notes admitted to trading on the ISM are not admitted to the Official List of the UK Listing Authority. The London Stock Exchange has not approved or verified the contents of this Offering Circular.

The admission to trading of the Programme is expected to be granted on or around 4 October 2022. It is expected that each Tranche of Notes which is to be admitted to trading on the ISM will be admitted separately as and when issued, subject only to the issue of a Global Note or Global Note Certificate initially representing the Notes of such Tranche.

Authorisations

The update of the Programme was authorised by written resolutions of the directors of the Issuer on 2 October 2022. The giving of the guarantee contained in the Trust Deed was authorised by way of passing the applicable resolutions at a meeting of the directors of the Guarantor on 18 September 2022. 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.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the Pricing Supplement relating thereto. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Use of proceeds

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer and/or the Guarantor for its general corporate purposes, which include making a profit.

Litigation

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) during the 12 months before the date of this Offering Circular which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Guarantor and its subsidiaries taken as a whole.

No significant change

There has been no material adverse change in the prospects of the Issuer since 31 December 2021, nor has there been any significant change in the financial or trading position of the Issuer since 31 December 2021.

There has been no material adverse change in the prospects of the Guarantor and its subsidiaries since 31 December 2021, nor has there been any significant change in the financial or trading position of the Guarantor and its subsidiaries, taken as a whole, since 30 June 2022.

Independent auditors

The Guarantor's appointed auditors are RSM Albazie & Co. (member of the RSM network), Public Accountants, Arraya Tower, Floor 41 & 42, Abdulaziz Hamad Alsagar Street, Sharq, P.O. Box 2115, Safat 13022, State of Kuwait, as stated in their reports incorporated by reference herein. RSM Albazie & Co. is an audit firm incorporated under Kuwait law and is an independent member firm of RSM International. RSM Albazie & Co. is regulated by the Kuwait Ministry of Commerce and Industry and the Capital Markets Authority and is registered auditors licenced to act as auditors in Kuwait by the Kuwait Association of Accountants and Auditors.

The 2021 Financial Statements have been audited by RSM, in accordance with International Standards on Auditing as stated in their report incorporated by reference herein. The 2020 Financial Statements have been jointly audited by RSM and EY, in accordance with International Standards on Auditing, as stated in their joint audit report incorporated by reference herein. The Interim Financial Information has been reviewed by RSM in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" as stated in their report incorporated by reference herein.

Documents available for inspection

For the period of 12 months following the date of this Offering Circular, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified office of the Principal Paying Agent and Registrar and from the registered office of the Issuer, namely:

- (a) the constitutive documents of the Issuer and the Guarantor;
- (b) a copy of this Offering Circular and any supplements thereof;
- (c) the Agency Agreement;
- (d) the Trust Deed;
- (e) the Programme Manual (which contains the forms of the Notes in global and definitive form);
- (f) the unaudited interim condensed consolidated financial information of the Guarantor as at and for the three month period ended 30 June 2022, together with the notes thereto and the auditors' review report thereon;
- (g) the audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2020 and 31 December 2021, together with the notes thereto and the auditors' reports thereon;
- (h) the most recent publicly available financial statements (if any) of the Issuer and the most recently published audited consolidated financial statements of the Guarantor and the most recently published unaudited interim condensed consolidated financial information (if any) of the Guarantor, in each case together with the notes thereto and any auditors' report or review report (as applicable) thereon; and
- (i) any future offering circulars, prospectuses, information memoranda and supplements relating to the Programme, including any Pricing Supplement relating to Notes.

Post Issuance Information

The Issuer does not intend to provide any post-issuance information in relation to any Note issues.

REGISTERED OFFICE OF THE ISSUER

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REGISTRAR

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